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Germans Stirred Up Over Jobs

Thousands Protest As Unemployment Rises to 4.8 Million

By Alan Cowell
New York Times Service

BONN — Inspired by the example of French demonstrators but without their passion or numbers, unemployed Germans staged protests across the land Thursday to begin mapping strategy for a possible military attack on Iraq but disavowed any notion that the Iraqi leader, Saddam Hussein, would be a specific target.

The labor office put the unadjusted number of unemployed in January at 4,823,200 — an increase of 301,600 over the December figure, pushing joblessness as a proportion of the work force to 12.6 percent from 11.8 percent.

Ominously, Eastern Germany recorded much higher unemployment in January, with a rate of 21.1 percent — just over twice the 10.5 percent of the more populous and prosperous states of Western Germany.

The increase came despite overall economic growth of about 2.5 percent annually, suggesting that while companies are prospering, they are cautious about incurring the cost of hiring new workers. Other government statistics released Thursday showed a fourth consecutive monthly fall in new orders for capital goods, indicating a possible slowdown in investment plans.

Allowing for seasonal adjustments, reflecting traditional slowdowns in businesses such as construction in the winter, the Labor Office figures said unemployment in January had actually fallen by 72,000.

But economists said it was too early to say whether this meant joblessness had peaked, and some analysts said the trend indicated that February's figures would go yet higher.

Even the seasonally adjusted statistics brought scant political relief for Chancellor Helmut Kohl, whose critics assailed him in Parliament for what the opposition Social Democrats called failed economic policies.

In political terms, it is the increase in overall unemployment — rather than the seasonally adjusted

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Israeli soldiers carrying a fellow soldier as part of a drill. They wore masks designed for protection against chemical or biological attack.



President Clinton greeting Prime Minister Tony Blair at the White House on Thursday. Mr. Blair started a four-day visit to the United States.

Window on an Old Epoch

Fossils From 'Springtime,' 600 Million Years Ago

By Kathy Sawyer
Washington Post Service

WASHINGTON — Scientists have unearthed what appear to be the first fossils of complex animal ancestors dating from almost 600 million years ago, opening a window on a mysterious and crucial epoch in the history of life on Earth that many researchers thought would never be revealed.

Perhaps most stirring, the exquisitely preserved fossils — from a period in which a fossil record was not considered likely — include fragile animal embryos no bigger than grains of sand. These embryos were frozen forever in their earliest stages of growth and are revealed in three-dimensional precision down to the level of individual cells, researchers report.

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AGENDA

Seoul Says It Can't Fulfill Nuclear Pact

South Korean officials have told the U.S. government that Seoul's financial crisis has left it unable to pay for the construction of nuclear power plants in North Korea, the key element of the 1994 agreement that halted the North's nuclear weapons program. Page 5.

Italy and U.S. in Dispute Over Plane's Route
Italy said Thursday that the U.S. Marine surveillance plane that cut a ski-lift cable in the Italian Alps, killing 20 people, was off course, but American military officials insisted the plane had kept to its designated flight path. U.S. officials vowed to cooperate in the investigation. Page 6.

Newstand Prices
Andorra 10.00 FF Lebanon LL 3,000
Antilles 12.50 FF Monaco 16 Dh
Cameroun 1,600 CFA Qatar 10.00 QR
Egypt 5.50 FF Réunion 12.50 FF
France 10.00 FF Saudi Arabia 10 SR
Gabon 1.100 CFA Senegal 1.100 CFA
Italy 2,800 Lire Spain 225 Pesos
Ivory Coast 1,250 CFA Tunisia 1,250 Dina
Jordan 1,250 JD U.A.E. 10.00 Dh
Kuwait 700 Fils U.S. M. (EUR) \$1.20

The Dollar
New York Thursday @ 4 P.M. previous close
DM 1.767 1.80
Pound 1.6543 1.6567
Yen 123.555 123.55
FF 5.988 6.037

The Dow
Thursday close Page 11.
S&P 500 Page 4.
Opinion Pages 8-9.
Sports Pages 20-21.
change Thursday @ 4 P.M. previous close
-12.46 8117.25 8129.71
S&P 500 1003.53 1006.90
The IHT on-line www.iht.com

A Fresh Look At Early Life

Two groups of researchers have shown that multicellular animals — sponges, jellyfish and maybe more complex animals — had evolved by 570 million years ago, much earlier than had been thought.

PRESENT DAY
100,000 to 200,000 years ago: advent of modern humans

EARLIER DISCOVERY
540 million years ago: Many multicellular animals lived, as shown by fossils in the Burgess Shale.

NEW DISCOVERY
570 million years ago: Multicellular animals had evolved by this point, two new studies show.

500 million to 570 million years ago: Cambrian Era

3.6 billion to 3.8 billion years ago: simplest life forms evolve

EARTH FORMS
4.6 BILLION YEARS AGO

High on Nagano Agenda: The Burnishing of Images

Japan and World Sports Badly Need a Lift

By Kevin Sullivan
and Amy Shapley
Washington Post Service

NAGANO — Amid high-tech wizardry and the echoes of an ancient culture, the 18th Winter Olympics open Saturday in a nation in need of a lift and a sporting world looking for a new generation of heroes.

Japan, suffering from its worst economic recession since World War II, has spent a record \$13 billion to stage an Olympics that organizers hope will be an antidote to a deep national malaise. Instead of relentless news about bankruptcies and corruption, Japan hopes television viewers around the world will see warm images of Japan's high-tech magic, effusive hospitality and cultural treasures.

"With all the bad news, the Japanese people are not so sure anymore what we have that we can be proud of," said Akira Saito, sports editor of the newspaper *Yomiuri Shimbun*. "Even though

this is only a sports event, the Japanese people have found something we can show to the world."

The international sports community, too, is hoping Nagano will provide a celebration of athletics unspoiled by scandal. The sports world is hoping to repair its image, and shift public attention away from the drug-testing laboratories and back to the competition after a drug scandal in January involving Chinese swimmers at the world championships in Australia.

The approximately 2,500 athletes who will compete are poised to give Japan and the rest of the world the inspirational made-for-television drama they want. Legend-making is up for grabs in Nagano. Two teleogenic American teenagers — Michelle Kwan and Tara Lipinski — along with Nicole Bobek have been dubbed the new U.S. Dream Team in figure skating, and some people in American skating believe they could

See GAMES, Page 20

Asian Nations Warn Japan Its Influence Is on the Wane

By Michael Richardson
International Herald Tribune

SINGAPORE — Southeast Asian countries, voicing new concern about the region's economic and financial crisis, will tell Japan next week that it must hasten banking reforms and moves to stimulate its economy if it wants to make a more effective contribution to regional recovery.

Southeast Asian officials said Thursday that the unusually muscular diplomatic message from

The U.S. is nearer approval of new funds for IMF. Page 13.

ASEAN, the Association of South East Asian Nations, carried an implicit warning that Japanese influence among its neighbors was in danger of waning.

ASEAN's views will be conveyed by Anwar Ibrahim, the Malaysian deputy prime minister and finance minister, when he visits Tokyo. Malaysia currently chairs the group, which consists of Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

The officials said the message represented the collective position of ASEAN and would reinforce similar statements of dissatisfaction made recently by senior U.S. officials about what the U.S. trade representative, Charlene Barshefsky, said was an "absolutely inadequate" Japanese response to the regional crisis.

Japan's role is seen as vital because it is by far the largest economy in Asia and has traditionally been the biggest source of investment, loans and aid as well as a major trading partner.

The core of ASEAN's concern, Southeast Asian officials said, is that Japan is not doing enough to open its markets and absorb more imports from the region. In addition, they want Tokyo to get its banks more constructively involved in the regional crisis.

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See AEASN, Page 12

Discontent Boils Over in Zimbabwe

Corruption Scandal Triggered Economic Crisis for Mugabe's Rule

By Lynne Duke
Washington Post Service

HARARE, Zimbabwe — War veterans shouted down President Robert Mugabe during a speech and stormed his party headquarters to protest suspended disability pay. In Parliament, Mr. Mugabe's ruling party defied him. Disgruntled farm laborers marched to demand better working conditions, and urban workers angered by tax hikes shut down this capital city for a day.

All this discontent over the last year was just a prelude. Last month, this city was hit by its first serious wave of unrest in 18 years of independence, as thousands of rioters angered by yet another price hike for cornmeal, the staple food, caused such destruction and anarchy for

three days that the army was deployed to restore order. Five people were killed.

As this formerly socialist nation undergoes a difficult transition to a free market, Mr. Mugabe finds himself not only in battle with an economy out of control, but also with an increasingly restive population. Zimbabweans once saw him as father of the nation — he led the independence struggle against Britain — but now want to know what he has done for them lately.

Many people predict that if the government does not rein in the spiraling prices, a depreciating currency, rampant unemployment and creeping governmental corruption, then more unrest will likely follow.

In Chitungwiza, a suburb 20 kilometers (12 miles) south of the city cen-

ter where a large shopping mall was picked clean in the January rioting, a young woman named Florence said more riots were needed to force the government into action. "We want it to happen again, because nothing has changed," she said.

In this nation of 12 million, peaceful during the years of socialist policies, which ended in the early 1990s, scenes of rioters looting stores and battling with the police would appear to represent instability. But this is a de facto one-party state in which Mr. Mugabe's party holds all but 3 of the 150 seats in Parliament.

The protesters "are not afraid anymore," said Sam Moyo of the Southern

See ZIMBABWE, Page 12

'Moral Equivalent of War' / Victim of Asian Crisis

Brazil Struggles to Defend Its Currency and Society

By Roger Cohen
New York Times Service

SAO PAULO — Edmar Busch, a banker, has a new routine. Every afternoon he logs on to the Internet, reads the next day's issue of The Korea Herald and decides what he will tell the anxious executives from Merrill Lynch and Fidelity Investments who keep asking him where Brazil is headed.

"I get very worried on days when the Koreans don't seem as worried as I am," he said. "Let's face it, if Korea or Indonesia goes and Japan is hit, then who cares about fiscal adjustment in Brazil or anywhere else? Everyone's out of here and into United States Treasury bills."

Since the Asian crisis deepened in October, Brazil has dug in for what senior officials call "the moral equivalent of war" — a war to prevent Brazil from becoming "the next domino."

The stakes are huge. Brazil dwarfs Argentina and Mexico, constituting through its size and influence the key to a stable, prosperous Latin America. This is the world's fifth-largest country, whose population at 163 million is bigger than Russia's and whose industrial output surpasses China's.

Despite frequent bridling at U.S. domination of the post-Cold War world, Brazil has opened its economy to that world. Its transformation illustrates the free-market upheaval that brought 5 percent growth to Latin America in 1997 and a record \$45 billion in direct foreign investment.

But with this shift, the country seems poised on a knife's edge. In stark terms, Brazil poses the question of whether global economic pressures exact too high a cost in social stability in societies that are among the most unequal in the world.

The measures Brazil has taken to save its currency — steps that have thus far satisfied the fast-moving global markets — are hurting the poor and the lower middle class. The Asian crisis has meant high interest rates and lost jobs. Many Brazilians who were buying cars or stoves on credit can no longer do so because efforts to attract international capital have pushed interest rates close to 40 percent a year.

Tens of thousands of state employees have been dismissed, thousands of autoworkers idled.

Brazil has shunned an agreement with the International Monetary Fund, which officials here equate with a loss of sovereignty, the failed IMF programs of the 1980s debt crisis and genuflection to the United States. The country is trying to bend to market forces while retaining its national identity and regional influence, in order to join the global economy on its own terms.

U.S. companies have poured money into Latin America, accounting for a big share of the record \$16 billion invested in Brazil last year, the record \$9 billion in Argentina and the record \$12 billion in Mexico. Bell South paid \$2.5 billion just for the air over São Paulo — for which it has been



A camp in São Paulo state set up by a rural workers' movement for some of the many Brazilians made jobless by austerity measures.

Roger Cohen/The New York Times

granted the cellular-phone license.

But international markets remain edgy about Brazil's deficits and a currency widely regarded as overvalued by about 15 percent.

"Brazil looks like a ripe case for financial risk," said Jeffrey Sachs, who heads the Harvard Institute for International Development. "It has an overvalued currency and a recession looming as it moves into an election year."

Brazil's government, however, is desperate to avoid a devaluation of its currency, the real, as it equates with a return to hyperinflation.

"People are suffering," Finance Minister Pedro Malan said. "But they would suffer more if we did not do whatever it takes to preserve the real plan. Our economic opening is irreversible."

The unanswered question, however, is whether this opening will spread prosperity or concentrate further. Surveys by IBGE, a Brazilian economic institute, suggest that the richest 20 percent of the Brazilian population still hold more than 60 percent of the nation's wealth, while the poorest 20 percent account for about 2 percent. In the United States, by comparison, the richest 20 percent hold 42 percent of the national income, and the poorest 20 percent have 5 percent.

Out in the far west of São Paulo state, in an area known as the Pontoal, red clouds of dust bluster across a wide and empty landscape. Cultivation is rare; the few head of cattle offer

isolated signs of life. Landless peasants camp beneath flimsy shelters, a reminder of the strains that tear at the economy even of this most advanced Brazilian state.

IN A SCHOOL in the small town of Teodoro Sampaio sits Miriam Fariis de Oliveira, who has just been dismissed from her \$200-a-month job organizing the distribution of school lunches. She is one of the more than 30,000 state employees laid off as Brazil tries to shore up the currency against Asian buffeting.

"I was told I had not passed the requisite exam for the job," she said. "I had no warning."

Mrs. Fariis de Oliveira, 46 and divorced, lives with her two children in a small rented house. Even before the crisis in Asia affected her, she had had a bad year. On Feb. 23, 1997, she was shot by men apparently hired by big landowners in the area. The bullet smashed three ribs.

The shooting took place at a nearby estate called São Domingos. It had been occupied by peasants and by unemployed urban poor — members of the Movimento dos Trabalhadores Rurais Sem Terra or Landless Rural Workers Movement. Known as MST, it is the fastest-growing movement of the poor and those newly dispossessed by the global economy.

Mrs. Fariis de Oliveira had gone out to São Domingos to support the occupation. She was carrying the red flag of the movement when gunmen shot her.

The shift to an open economy in Brazil has come against a backdrop of extreme poverty that leaves armies of destitute migrants drifting across the country in search of a means to survive.

The rural workers' movement has become the main conduit for resentment toward these changes. It has organized 279 occupations over the past three years and now has illegal camps on 552,000 hectares (1.38 million acres). More than 50,000 families live in these camps — 21,000 of them arrived just last year.

The movement's leaders are vague about financial support but indicate that labor unions and the Roman Catholic Church are sources. Leftist parties and unions have grown weaker. But the movement has learned to use instant communications to advertise actions of police officers and landowners once protected by their regions' geographical remoteness.

"The social impact of free-market reform can be very negative at first," said Milton Seligman, president of the National Institute for Land Reform in Brasilia. "But whatever the MST think, socialism is dead. We're in the international dance hall now, and we have no choice but to dance. If we can confront the challenge, provide schools, land, health, Brazil can be a major international power within 15 years."

Israeli Jubilee In Disarray as Director Quits Over Leaks

By Serge Schmemann
New York Times Service

JERUSALEM — After the successive resignations of three directors of the committee planning Israel's 50th anniversary celebrations, the government minister in charge of the jubilee has also quit in a huff, leaving preparations in even deeper disarray a week before the festivities are to begin.

With the committee mired in constant political, budgetary and personal squabbles, even the date of the formal inauguration of the jubilee year has been changed several times, and many events have been canceled or changed.

Tourism Minister Moshe Katsav said Wednesday that he was quitting as the government's director of the anniversary celebration because of "very offensive stories" that he said had been leaked to the press by the prime minister's office.

He said he had contemplated quitting the government, after all, but pulled back after Prime Minister Benjamin Netanyahu issued a statement condemning the attacks in the press.

Mr. Katsav's resignation came a week and a half after Yitzhak Modai, a former finance minister, resigned as chairman of the Jubilee Celebrations Committee, charging that "Katsav took every opportunity to raise obstacles in order to get his name in the paper."

Mr. Katsav retorted: "He was ca-

pricious, and they warned me about his outbursts of anger."

With much of the schedule for the anniversary largely fixed, it seemed unlikely that the leadership shuffle would have much effect.

The original proposal for a budget of \$70 million has already been slashed by more than half, and only \$14 million has actually been allocated so far.

According to Jerusalem Report, a bi-weekly newsmagazine, many of the events originally envisioned for the year — including flying 50,000 young foreign Jews to Israel, televising celebrations live around the world and holding conventions of Jewish Nobel Prize winners, lawyers and legislators — were abandoned for lack of funds.

Keep Alert Over Iraq, U.S. Advises Citizens

Reuters

WASHINGTON — The State Department has advised all Americans abroad to beware of "random acts of violence" linked to tensions over Iraq, although it said it knew of no specific threats.

The "worldwide caution" issued Thursday was similar to one from the department Nov. 19, during a previous standoff with Iraq over Baghdad's attempts to block UN arms inspections.

The warning then referred to "the general situation in the Middle East," but this one specifically cited Iraq's defiance of the United Nations and Washington's dispatch of forces.

"While diplomatic options have not been exhausted, the government of Iraq continues to make provocative and confrontational statements," it said.

The announcement urged U.S. citizens living or traveling abroad to "exercise greater than usual caution" and said U.S. diplomatic posts worldwide were taking "appropriate security precautions."

TRAVEL UPDATE

Crete Airport Closed

ATHENS (AP) — Hundreds of farmers blocked major roadways and an air-port on the island of Crete on Thursday as a warning of their determination to shut down Greece's transportation system.

Olympic Airways, the national carrier, was forced to cancel flights to the city of Iraklion after farmers occupied the international airport there. They announced they would keep the airport closed until Friday.

Main highways in northern and central Greece were also blocked as part of weekend farmers' protest demanding more subsidies and lower fuel prices.

U.S. Low-Fare Flights

WASHINGTON (WP) — US Airways Inc. has unveiled plans for Met-

rojet, a low-cost air service that the carrier is banking on as its answer to Southwest Airlines and Delta Express in the eastern United States.

The new operation, effectively an "airline within an airline," will start from Baltimore-Washington International Airport on June 1 with bargain-fare service to Cleveland; Fort Lauderdale, Florida; Providence, Rhode Island, and Manchester, New Hampshire.

Main highways in northern and central Greece were also blocked as part of weekend farmers' protest demanding more subsidies and lower fuel prices.

Fiji's hotels and national airline are trying to hold down prices and are seeking government help to shield the tourism industry from the effects of the Asian economic crisis. The Fiji Hotel Association announced recently that its members had agreed to freeze accommodation rates for the rest of this year.

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Maps, forecasts and data provided by AccuWeather, Inc. ©1998 <http://www.accuweather.com>

North America

Europe

Asia

Africa

Latin America

Oceania

Australia

New Zealand

South Africa

Middle East

Russia

Central America

Mexico

South America

Argentina

Brazil

Chile

Peru

Ecuador

Colombia

Venezuela

Bolivia

Argentina

Brazil

Chile

Peru

Ecuador

Colombia

Venezuela

Israeli Jubilee In Disarray as Director Quits Over Leaks

By Serge Schmemann
New York Times Service

ERUSALEM — After the recent resignations of three directors, the committee planning Israel's 50th anniversary celebrations, the government minister in charge of the jubilee has also quit in a huff, leaving negotiations in even deeper disarray. The festivities are to begin March 25.

With the committee mired in political, budgetary, and personnel squabbles, even the date of the long-anticipated inauguration of the jubilee year has been changed several times, and many events have been canceled or changed.

Tourism Minister Moshe Katsav, Wednesday that he was quitting his government's director of the anniversary because of "very serious errors" that he said had been leaked to the press by the prime minister's office.

He said he had contemplated joining the government altogether, but when after Prime Minister Benjamin Netanyahu issued a statement demanding the attacks in the press.

Mr. Katsav's resignation came a week and a half after Yitzhak Mekor, former finance minister, resigned, chairman of the Jubilee Committee, charging that "Katsav has given every opportunity to raise obstacles to get his name in the paper."

Mr. Katsav retorted: "He was nervous, and they warned me about the risks of anger."

With much of the schedule for the anniversary largely fixed in recent days, it is clear that the leadership shuffle will have much effect.

The original proposal for a budget of \$70 million has already been slashed more than half, and only \$35 million actually been allocated.

According to the Jerusalem Report, weekly newsmagazine, many of the events originally planned for the anniversary have been canceled, including the 50th Young Pioneers' Jamboree, a massive international youth gathering.

Agencies involved in the planning

Keep Alert Over Iraq U.S. Advises Citizens

WASHINGTON — The State Department has advised Americans abroad to remain alert to the possibility of terrorist attacks in Iraq and Iran.

The department's travel advisory, issued Tuesday, said that the situation in Iraq and Iran "remains extremely dangerous."

The advisory, which is valid through April 15, said that the situation in Iraq and Iran "remains extremely dangerous."

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Starr Rejects Immunity Deal for Lewinsky

By Susan Schmidt
and Peter Baker
Washington Post Service

WASHINGTON — The independent counsel, Kenneth Starr, has rejected a proposed cooperation agreement from Monica Lewinsky's lawyers and has given them until the end of the week to make the former White House intern available for questioning or let her face possible prosecution, according to sources with knowledge of the investigation.

Prosecutors decided the written statement from Ms. Lewinsky was not solid enough to form the basis of an agreement because it contained inconsistencies and contradictions. Ms. Lewinsky acknowledged having had a sexual relationship with President Bill Clinton in the statement, the sources said, but she gave a muddled account of whether she was urged to lie about that relationship to lawyers in the Paula Jones sexual harassment suit.

Ms. Lewinsky's lawyer, William Ginsburg, submitted the statement — a "proffer" spelling out what she would testify to if given an immunity deal or plea bargain — late Monday and left with his client for California the next morning because Ms. Lewinsky wanted to see her father. It was the first time in protracted talks between the two sides that any proposed statement had been put in writing.

Mr. Starr's office notified Mr. Ginsburg late Wednesday that the statement alone was unacceptable. Prosecutors told him they would like to interview Ms. Lewinsky themselves to get her story. They have asked that she submit to questioning early next week, the sources said.

[Mr. Ginsburg declined to comment on reports of the rejection, saying it would be irresponsible to talk about negotiations with Mr. Starr's office, The Associated Press reported. But he added, "If Judge Starr's object of this whole investigation is to net Monica Lewinsky in a conviction and jail time, then we have to look at how our tax dollars are being spent."]

Mr. Ginsburg made a detailed oral presentation early last week to prosecutors in his effort to get immunity for his client in exchange for her testimony. That statement contained more information than Ms. Lewinsky's written recollections, according to sources familiar with the statement, and conflicted with it in some areas.

Mr. Starr is investigating whether Mr. Clinton and his close friend Vernon Jordan Jr. urged the 24-year-old Ms. Lewinsky to conceal a sexual relationship with the president in a sworn affidavit last month, lining up a public relations job for her in New York as an inducement to keep quiet.

In her statement, sources said, Ms. Lewinsky asserted that she was not urged to lie to Mrs. Jones' lawyers, but was told to tell a certain version of events — one that did not actually happen.

Ms. Lewinsky did not discuss the origins of one of the crucial pieces of evidence in the investigation — the so-called talking points she gave to Linda Tripp, the one-time friend who secretly tape-recorded her conversations about Mr. Clinton and Mr. Jordan. Sources said that Mr. Ginsburg had told prosecutors that Ms. Lewinsky was prepared to provide a full version of events, including the origins of the talking points — if an agreement was concluded based on her statement.

Ms. Lewinsky gave the three-page talking points document to Ms. Tripp on Jan. 14 in anticipation of Ms. Tripp's own deposition in the Jones case. One page of the document that has surfaced publicly urged Ms. Tripp to change the story she had already told a reporter about seeing another White House aide outside the Oval Office, her makeup smeared and clothing askew, and asserting that the president had just made a pass at her.

Individuals who have spoken to Ms. Tripp — who went to prosecutors last month with her tape recordings — have said the other pages of the talking points discuss how Ms. Tripp should deny any knowledge that Ms. Lewinsky had any sexual relationship with the president.

New details also emerged Wednesday about Ms. Lewinsky's three dozen visits to the White House after she left her job there in April 1996 for a position in the Pentagon press office.

A source with knowledge of Secret Service entry and exit logs said she visited the White House 10 to 12 times in the latter half of last year. Six to eight of those visits were in late October, November and December, a period when she was worried about having to testify in the Jones suit and was seeking a job in New York.

During his own deposition Jan. 17 with Mrs. Jones' lawyers, Mr. Clinton denied having had a sexual relationship of any nature with Ms. Lewinsky, sources said. He also denied having been alone with her during his visits to the White House or having met with her any time after Christmas. Sources have told The Washington Post that Mr. Clinton and Lewinsky met on Dec. 28 at the White House.

Mr. Starr's decision to reject the offer may reflect confidence in the rest of the case he is building. In recent days, his office has moved to find witnesses who may have seen Mr. Clinton and Ms. Lewinsky together, including White House valets and Secret Service agents.

Prosecutors brought one valet, Bayani Nelvis, to the grand jury Wednesday for the second time. Mr. Nelvis works in the tiny kitchen-pantry just off the Oval Office and has a firsthand view of much of what goes on in the president's suite.

During more than a week of testimony, Starr prosecutors have been taking the grand jury on what amounts to a guided tour of the West Wing, as current and former officials were asked about the layout of offices, the location of each door, who worked there, what access they had and what could be seen in the Oval Office and adjoining study. Mr. Starr's staff wants "to establish that it would be possible for the president to be alone with her and to show it also would be unusual for him to be alone with her," said one person who has talked to investigators.



A White House steward, Bayani Nelvis, in cap, leaving a Washington court where he testified to a grand jury.

Reporting on the Scandal: A Case Study

Paper's Fact-Checking Suffers in Scramble With Internet and Cable TV

By Howard Kurtz
Washington Post Service

WASHINGTON — A White House spokesman, Joe Lockhart, got the call from a *Wall Street Journal* reporter shortly before 4 P.M.

Did Mr. Lockhart have any comment on the newspaper's information that a White House steward, Bayani Nelvis, had told a federal grand jury he had seen President Bill Clinton and Monica Lewinsky alone in a study next to the Oval Office?

Mr. Lockhart said he would have to check, but moments later the reporter, Glenn Simpson, told him that the story had already been posted on the Journal's World Wide Web site. What's more, the paper put out the story on its wire service while Alan Murray, its Washington bureau chief, was talking about it on CNN, the Journal's new television partner.

"We continue to believe our report is correct," the Journal's managing editor, Paul Steiger, said.

In a subsequent posting, the Journal softened its story by deleting the assertion that Mr. Nelvis had made the allegations to the grand jury. Instead, the story said

interview later. Mr. Murray replied: "The White House has made it quite clear that they are not going to provide information on this sort of thing." He added, "We had our information solid," so "we didn't see any reason to wait."

Within 90 minutes, however, Mr. Nelvis' lawyer, Joseph Small Jr., had put out a statement calling The Wall Street Journal's report relating to the grand jury testimony "absolutely false and irresponsible." Efforts by The Washington Post to confirm the report brought strong denials from several sources close to the investigation, who said no such testimony had been given by Mr. Nelvis.

The Web story, by Mr. Simpson and another Journal reporter, Brian Duffy, was attributed to two individuals "familiar" with Mr. Nelvis' testimony.

"We heard footsteps from at least one other news organization and just didn't think it was going to hold in this crazy cycle we're in," Mr. Duffy said.

Media Seek End to Secrecy in Jones Case

By David Stout
New York Times Service

WASHINGTON — Lawyers for The New York Times and several other news organizations have moved to set aside or modify a far-reaching secrecy order imposed by the judge presiding over the sexual-harassment suit against President Bill Clinton.

The motion was filed Wednesday before U.S. District Judge Susan Webber Wright in Little Rock, Arkansas. Judge Wright is hearing the suit brought by Paula Jones, who contends that Mr. Clinton made a crude sexual proposal to her in a Little Rock hotel room in May 1991, when she was a state clerical employee and he was governor of Arkansas.

This is a case of very significant and legitimate public interest," Nancy Nielsen, a spokeswoman for The Times, said Wednesday. "In a case like this, where there are leaks every day from most quarters, the public should be entitled to hear first hand from all participants."

Judge Wright imposed the secrecy order last October in an effort to squelch increasingly lurid publicity about the lawsuit, which from its inception four years ago has created a blend of legal issues, politics and off-color jokes. The judge sealed documents relating to pre-trial discovery and ordered lawyers not to talk about the case.

Lawyers for The Times and the other news organizations argued that the judge's order had not worked and had merely spawned leaks, counterfeits and

speculation. Joining the motion were the ABC, NBC and CBS television networks, CNN, Time magazine, The Associated Press, USA Today and Newsday.

The motion asks Judge Wright to lift the ban on parties and lawyers talking about the case and to allow access to legal documents.

The case is to go to trial May 27, but Mr. Clinton's lawyers have asked for it to be advanced to March 23.

Counsel's Inquiry Points Finger at Intern's First Lawyer

By John Mintz
Washington Post Service

WASHINGTON — Lawyers for Francis Carter, the attorney first hired by Monica Lewinsky, say that the delay in formally filing her affidavit denying a sexual relationship with President Bill Clinton was not related to efforts by Mr. Clinton's friend Vernon Jordan Jr. to find Ms. Lewinsky a job in New York.

Mr. Lewinsky gave her affidavit to Mr. Carter on Jan. 16. In the interim, she was offered a job with Revlon, following an interview arranged by Mr. Jordan, a member of the company's board of directors. Mr. Jordan also arranged Mr. Carter's legal representation of Ms. Lewinsky.

The independent counsel, Kenneth Starr, has been pursuing the possibility that Ms. Lewinsky withheld formally filing the affidavit, in response to a subpoena she received in the Paula Jones sexual harassment case, until a New

York job came through, according to sources close to the investigation. That theory, the sources have said, grew out of the close juxtaposition of these events, and comments Ms. Lewinsky reportedly made about her desire to hold off filing the affidavit until she had the job offer in hand.

But sources close to Mr. Carter said Wednesday that the delay in filing the affidavit was a technical formality in no way connected to Ms. Lewinsky's job hunt. They said that Mr. Carter notified Mrs. Jones' attorneys about the contents of Ms. Lewinsky's affidavit immediately after she made her statement denying an affair with Mr. Clinton.

Mr. Carter is preparing to fight a subpoena directed at him by Mr. Starr's investigators, the sources said. On Jan. 22, Mr. Starr's office subpoenaed Mr. Carter's telephone message slips and other notes reflecting Mr. Carter's conversations with Mr. Jordan regarding Ms. Lewinsky. Mr. Carter is asserting that his contacts with Mr. Jordan fall

under the attorney-client privilege and thus cannot be disclosed, the sources said.

"It's too bad Frank Carter, a great lawyer performing a legal obligation, is stuck in a raging controversy that has nothing to do with him and confuses his role," said his attorney, Charles Ogletree. "Frank Carter's not part of any enterprise" bent on lying or thwarting Mr. Starr's probe. "His involvement was very narrow."

Mr. Ogletree, a Harvard University law professor, refused to provide details of Mr. Carter's legal strategy. But other attorneys said Mr. Carter may feel compelled to try to stave off Mr. Starr's subpoena for information about Mr. Jordan because the attorney-client privilege still holds in Mr. Carter's former legal representation of Ms. Lewinsky.

Legal experts say it is a hotly debated area of the law whether attorneys must reveal details of how a person became a client. Some subpoenaed lawyers resist disclosing more than the fact that they

represent a client and the date the representation began, experts said.

It is not clear why Mr. Jordan, an attorney himself at the high-powered law firm Akin, Gump, Strauss, Hauer & Feld decided to refer Ms. Lewinsky to Mr. Carter. Mr. Carter and Mr. Jordan are friendly but not intimate, associates said.

A prominent Washington lawyer, Mr. Carter, 51, has been an important figure in the controversy since it broke Jan. 21, with the question being asked in courthouse lunchrooms and judge's chambers: Could he have conspired with Ms. Lewinsky to write a false affidavit?

"I'd be stunned" to hear Mr. Carter deliberately helped Ms. Lewinsky prepare a false affidavit, said one federal judge in Washington, who was named to the bench by a Republican president.

Justice Department officials agreed, with one calling Mr. Carter "a straight shooter" who would drop a client before lying for her.

Away From Politics

• Once the army's top enlisted man, former Sergeant Major Gene McKinney has pleaded not guilty to charges of sexual misconduct against six women at the opening of a court-martial. Mr. McKinney, 47, has accused the military of targeting him for prosecution because he is black. (WP)

• In a case of what one official called "rain rage," a man stabbed another in the eye with his umbrella after the two accidentally bumped into each other during a rainstorm, the Los Angeles police said. (LAT)

• A week after a nail-packed bomb exploded outside near the entry, the New Woman abortion clinic in Birmingham, Alabama, has reopened. An off-duty policeman was killed and a nurse was maimed in the blast. (AP)

• Thousands of people were without power after a powerful storm pounded the East Coast and surprised the Appalachians with more than a foot of snow. The storm hammered the coast from Georgia to New Jersey with heavy rain and high winds. (AP)

THE AMERICAS

Clinton Friend Is Arraigned

WASHINGTON — A Democratic Party fund-

Execution Stirs Emotion, But Did It Change Minds?

Articulate, Attractive Tucker Made Impact

By Sam Howe Verhovek
New York Times Service

HUNTSVILLE, Texas — Not since 1977, when a Utah firing squad shot Gary Gilmore, the first prisoner put to death after the Supreme Court allowed resumption of capital punishment in the United States, has so much attention been focused on an execution.

But now that Texas has executed Karla Faye Tucker, a kindly looking, born-again Christian, despite pleas for mercy from around the world, the most significant question is not really why she commanded all the publicity but whether that execution has done anything to change the dynamics of the nation's debate over the death penalty.

Opponents of capital punishment hope so. Many said that the execution of Ms. Tucker, a pickax killer who had become a virtual guest in American living rooms in recent days, had put a particularly human face on those condemned to death, and predicted that it would galvanize people like Jennifer Morgan, a 25-year-old accountant in Boston.

"Before this, I was for the death penalty," said Ms. Morgan, one of dozens of people interviewed around the country Wednesday about their reaction to the Tucker execution, at a state prison here on Tuesday night.

"But when you come to know someone through these television shows, it makes you think: Is that what they deserve?"

Death penalty supporters offered an opposing assessment. The state's resolve to see the sentence through, many said, marked an important moment reflecting a willingness to get serious about actually carrying out the death penalty in a country where only a small fraction of those condemned to die are in fact executed.

The execution sent a powerful message, said Dianne Clements, president of Justice for All, a victims' rights group based in Houston.

INTERNATIONAL

In U.S., Clamor to Crush Saddam Grows Louder

Politicians and Experts Call for More Drastic Policy

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Foreign leaders and diplomats may be urging restraint on the Clinton administration in the showdown with Iraq, but a growing chorus at home is calling for stronger measures than the air attacks currently being planned, with the objective of bringing down President Saddam Hussein.

Prominent members of the foreign policy establishment and some leading members of Congress say they are convinced that air attacks aimed at coercing the Iraqis into cooperating with United Nations weapons inspectors would not succeed, and would result in too narrow a victory even if they did.

Instead, they argue, the United States should go beyond the objective of curtailing Iraqi weapons programs and adopt a far-reaching strategy aimed at replacing the Baghdad regime. Although they are far from consensus on what that strategy should be, a few openly advocate the possible use of U.S. ground forces — a much greater commitment than the options being pursued by the administration.

Many supporters of a more forceful strategy are conservative Republicans and longtime defense hard-liners, such as the Senate majority leader, Trent Lott, Republican of Mississippi, and a former Pentagon official, Richard Armitage. But they also include former Representative Stephen Solarz of New York, a liberal Democrat who with a former Pentagon official, Richard Perle, is circulating a letter in Congress and foreign policy circles seeking bipartisan support for a more ambitious policy.

In addition to a crushing bombing campaign or the possibility of ground troops, some advocates of tougher measures are suggesting seeking Iraq's expulsion from the United Nations, indicting Mr. Saddam as a war criminal, or blockading the port of Basra to halt oil exports — an action that would infuriate Iran, which shares the Shatt al Arab waterway with Iraq.

Such moves, if made unilaterally, would almost certainly draw the ire of most of America's UN partners and frame the crisis even more starkly as a conflict between Washington and Baghdad.

But public opinion polls may indicate support for such a route. A Los Angeles Times

poll published Monday showed that by 68 percent to 24 percent, Americans favor air strikes provided they are designed to remove Mr. Saddam from power, not just force him to accept the commands of the UN Security Council.

Nongovernmental experts agree that the administration faces a quandary in Iraq, one which many said was inevitable after the U.S. decision to end the Gulf War without deposing Mr. Saddam. They share the administration's view that Iraqi defiance of UN weapons inspectors is unacceptable. But they say a campaign of aerial bombardment such as one the administration is considering is unlikely to end that defiance.

But many more are arguing that the administration should strike forcefully and then, whatever the outcome, devise a plan to bring down Mr. Saddam's regime.

The House speaker, Newt Gingrich, Republican of Georgia, said that the United States ought to adopt a position that either Mr. Saddam agrees to unlimited UN inspections or he will be replaced with a regime that will agree to end the current Iraqi weapons program.

John Bolton, an analyst at the American Enterprise Institute, said: "There is no way Saddam Hussein will fully accept the UN inspection regime. That means you either leave in place an ineffective inspection regime or you get in new government in Iraq that will accept them."

Mr. Bolton was one of 18 signers of a letter Jan. 26 to Mr. Clinton calling for "removing Saddam Hussein and his regime from power," which they said "will require a full complement of diplomatic, political and military efforts."

Among the other signers were R. James Woolsey, Mr. Clinton's first director of central intelligence; the conservative commentators William Kristol and William Bennett; Paul Dobrinsky, head of the Washington office of the Council on Foreign Relations; the former defense secretary Donald Rumsfeld; and Robert Zoellick, who was a key foreign policy adviser to President George Bush.

But the administration has no intention of using ground troops in Iraq, officials said, and does not plan to make the ouster of Mr. Saddam a declared goal of its Iraq policy.

"Every day we didn't achieve it, he would trumpet as a victory," one official said.



Aboard the U.S. Navy carrier George Washington, E7 Chief Victor Jones looked on as fighter pilots returned from sorties over Iraq. Em Hollander/Retna

Allied Fleet Brings Big Stick to Crowded Gulf

By Douglas Jehl
New York Times Service

ABOARD THE U.S.S. NIMITZ — Already home to a powerful American and British armada, the waters and skies of the Gulf became even more crowded Thursday.

When the U.S. aircraft carrier Independence entered the Gulf, the total number of carriers here reached four for the first time since the United States and its allies went to war against Iraq seven years ago.

The 80,000-ton Independence,

with 75 aircraft aboard and a battle group that includes a cruiser, a destroyer and a submarine, joined a U.S. fleet headed by the 90,000-ton nuclear-powered carriers Nimitz and George Washington already operating in the waterway.

The Nimitz, which has

been patrolling for nearly four months, had been scheduled to head home a few weeks ago. But for now, its commanders say, the carrier and its crew of 5,500 will almost certainly stay put, to underscore the magnitude of the punishment the United States is prepared to inflict on Iraq if diplomacy cannot resolve the latest standoff with the United Nations.

"You need to make sure it

is very clear that there is a military option behind this," Rear Admiral John Nathman, commander of an American battle group in the Gulf that he described as the "big stick" behind this week's flurried diplomacy.

A 30-year-old fighter pilot aboard the Nimitz delivered the message even more starkly. "I don't think you can find a more powerful tool to make a statement than to park an airport 20 miles off a guy's beach," said Lieutenant Charles Skoda.

By Thursday afternoon, the Gulf housed 19 ships — nine of them capable of firing Tomahawk cruise missiles — more than 150 warplanes, and more than 20,000 airmen and sailors from the United States alone, along with a British naval task force headed by the carrier Invincible.

The role of the four carriers in any attack will become particularly crucial if Saudi Arabia does not allow the United States to use the scores of warplanes based in the kingdom in any military operation against Iraq.

Amid sunny skies and glassy waters, there appeared to be no sense aboard the ship that any military action was imminent. But along with the increasing ferocity of U.S. pronouncements, the sheer size of the buildup — far larger than any since the Gulf War of 1991 — has instilled among some who were here then a sense of déjà vu.

"Everyone is hoping that if we do cross the line, it ends the whole thing, because this has been going on for nearly seven years," said Commander J.R. Hatten, 37, an F-18 pilot who was an intelligence officer in the last conflict. His squadron was honing its skills this week by dropping mock bombs in neat

clusters in the wake of the coaster.

Lieutenant Colonel David Peeler, 42, of the Marines, said with evident weariness: "We've been watching this situation for quite a while now, and we're ready for something to happen or go home."

The ship's commander, Captain Isaac Richardson 3d, said: "The crew is a little bit anxious. I guess being here four and a half months, everyone would like to know the schedule, but that's something that isn't possible."

Officers and commanders also acknowledged that the addition of yet another carrier to the three already plying the Gulf will require them to devote more care to making sure the planes do not fly into one another's path. They noted that the Gulf War had taught that such coordination was possible, and they emphasized the power that so large a force can bring to bear.

Each of the three U.S. carriers carries nearly 5 million pounds of munitions. And in contrast to the Gulf War, when navy's F-18's carried general-purpose bombs, those aircraft have been outfitted with laser-guided bombs that commanders and pilots say will enable them to strike with considerably more precision.

Israel Signals It Would Strike Back

'Right of Self-Defense' Against an Iraqi Missile Attack Is Retained

By Lee Hockstader
Washington Post Service

JERUSALEM — Israel is giving signs that it will not again exercise the same restraint it did in the 1991 Gulf War, when the Israelis yielded to American pressure and held its fire in response to Iraqi Scud missile attacks.

The issue was raised late Wednesday by Defense Secretary William Cohen, who, speaking on CNN, strongly urged Israel not to retaliate against Baghdad even if Saddam Hussein answers fresh American air strikes by attacking the Israeli.

In response, the government said Thursday that "Israel retains its right to self-defense and will operate according to its security interests."

This position has not changed, it said. The statement, issued by Prime Minister Benjamin Netanyahu's office, did not say it would take U.S. concerns into account.

Israel's reluctance to accede to the American request comes at an awkward time for Washington. The United States is trying to line up enough international support for a military strike punishing enough to force Iraq's compliance with the United Nations arms-inspection regime, if diplomacy fails to achieve the same goal.

Arab states have expressed lukewarm support for the American threat against Iraq and would certainly not be heartened by the prospect of Israel joining in the fray.

In 1991, Israel was hit by 39 Iraqi missiles, which did serious damage to some residential neighborhoods but caused only a handful of deaths. The country refrained from launching a counterattack at the request of the United States, which feared the Jewish state's involvement would threaten the solid

backing of Arab states, which the administration of President George Bush had so assiduously courted.

This time, the thinking among many Israelis goes: there is no such solid Arab coalition to worry about. And many Israelis are pointing out that they were opposed to the decision not to retaliate in 1991. Among them is Moshe Arens, defense minister at the time, who said Israel was on the verge of retaliating against Iraq when Mr. Bush ended the war.

A leading government hard-liner, the housing and infrastructure minister, Ariel Sharon, said Thursday that Israel should conduct its own defense in the event of an Iraqi attack.

Hirsch Goodman, editor of The Jerusalem Report, a respected biweekly, urged in the current issue of the magazine that Israel be included in all planning and decision-making leading to an attack on Iraq and be given a free hand to act independently.

"With all due respect to the American and European flocks being sent to the Gulf, neither New York, Washington, London, Helsinki nor Stockholm is in imminent danger, like Tel Aviv, of being blown away," Mr. Goodman wrote.

Mr. Cohen, however, suggested that Washington was as determined to keep Israel on the sidelines as it was in 1991.

Asked if Washington wanted Mr. Netanyahu "not to fight back" if Iraq strikes again, Mr. Cohen said on CNN: "Yes, the United States would prefer very strongly urge — the Israelis not to, even if attacked."

He added, "We believe that we have the capability of dealing with this matter, and we will be there to help protect Israel, Kuwait, Saudi Arabia — all those in the region."

The Israeli newspaper Ha'aretz reported this week that Mr. Netanyahu gave

EU-Israeli Talks to Focus on Aid to Palestinians

By Barry James
International Herald Tribune

BRUSSELS — When Jacques Santer, president of the European Commission, flies to Israel this weekend, he will arrive at Tel Aviv and not at the completed but never used Gaza airport, which has been almost entirely paid for by Europeans.

The Gaza airport, which requires only a turn of the key to become operational, sums up a dilemma for the 15-nation European Union, which has poured hundreds of millions of dollars into building up the economy of an embryonic Palestinian state only to find its efforts thwarted and nullified by Israeli security demands.

"We are aware of Israel's security needs," Mr. Santer said Thursday. "They must be assured. But all our efforts will be in vain unless we can

break the vicious cycle."

He said he would tell the Israeli government that the external aid for the Palestinian Authority can contribute to the peace process. The EU has contributed well over half the \$2.8 billion committed to the process between 1993 and 1997, and this aid is up for renewal this year. Meanwhile, the European Parliament is putting increasing pressure on the commission, the executive arm of the EU, to explain what the aid is accomplishing. The answer is, not much.

A total of \$1 billion worth of private investment in the Palestinian areas in 1992, the last year of the *intifada*, was more than four times the amount invested in 1996 after four years of the peace process. Meanwhile, unemployment has more than doubled to about 42 percent and per capita income has declined 35 percent.

Commission officials said private investors were steering clear, because Israeli security measures, including border closures and severe restrictions on Palestinian laborers entering Israel for work, made it impossible for them to realize any profits. The officials said it was vitally necessary for the Palestinian Authority to trade perishable agricultural products and other goods directly with the outside world, but that was impossible so long as the airport remained closed and building of a planned seaport for Gaza remained blocked at Israeli behest.

The European aid was intended to form the basis of a Palestinian economy. Instead, officials said, most of it today is invested in paying the daily running costs of the Palestinian Authority, including the salaries of teachers, police officers, fire fighters and other public workers.

Mr. Santer's room for maneuver

was limited. He could threaten to cut off the aid, which may be what the Israelis want anyway, officials said, unless he can convince them that to do so would unleash another uprising. Alternatively, he could threaten to cancel the EU's bilateral association agreement with Israel, which, if the diamond trade between Tel Aviv and Antwerp is excepted, runs heavily in Israel's favor.

"It is a very delicate situation," he said. "We do not want to break down what we have already constructed with a lot of patience, but to find the means to complete the construction."

Mr. Santer said the EU wants a bigger role in the peace process. "We do not want to substitute for the Americans," he said, "but we have a complementary role to play and we want the investments that we and our allies have made to be taken more amply into account."

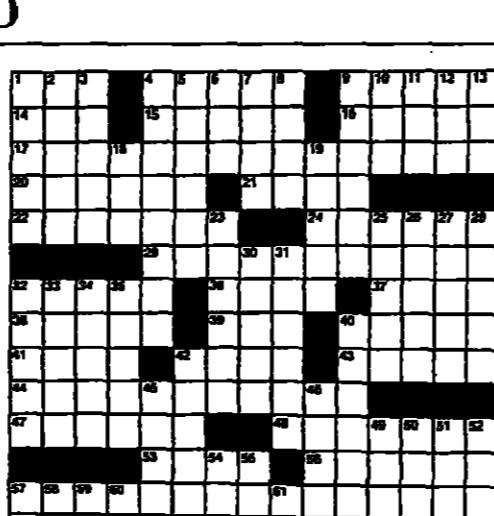
CROSSWORD

ACROSS

1 Kind of wheel
4 Bucky Beaver's brand, in old ads
9 Tool
14 Bring into play
15 Film director Gilbert —
16 Apostles' adoption
17 With 29-Across, a tongue twister, in brief
20 Eve Aden's real first name
21 "Vain" work
House writer
22 Pain-in-the-neck producer
23 Some kind of a nut
26 See 17-Across
28 Practice piece
29 Wine: Prefix
30 Duty
31 Words after "brotherhood," in brief
32 Wacko
33 Lacking the knack
34 One of the Walkers
35 Embroidery
36 Embroidery
37 Words after "brotherhood," in brief
38 Familiar aspiration
39 Overcharged
40 Comic scream
41 Biblical woman from Bethlehem
42 Embroidery
43 Terrible
44 A.F.C. player, in brief

DOWN

1 Thought
2 Sargon II's god
3 Devil's name
4 Love
5 Contains of some buckets
6 Without much color
7 Part of NATO: Abb.
8 Nini's nemesis
9 Winter Sholem
10 Love stress
11 Historic starter
12 Fam. member
13 Aquatic shooer
14 Playtoy types, for short
15 Roads cut
16 Slangy JUNE BUG
17 ALGER SPUR ASA
18 MANTEL TELEPATHY
19 MEAT OATY BTHEL
20 SAWDUST WATERY
21 CHE SMILE
22 SOFAS EMIT MAID
23 THEBAGGERSOPERA
24 ANIL OGLE STRAW
25 GONE BOLD USING



© New York Times/Edited by Will Shortz

IRAQ: Saddam Won't Be Target of Military Attack, Clinton Vows

Continued from Page 1

contemplating a period of two to three weeks to educate the public about the extent of Iraq's arsenal and to exhaust diplomatic options. Those comments left the impression that the earliest period for U.S. military action against Iraq would be in the second half of February.

The Clinton administration has said that no decision on military action has been made. It also has refused to discuss a timetable, rejecting appeals by the International Olympic Committee that any such action be delayed until after the Winter Olympics, set to start Friday in Japan and end Feb. 22.

Without explicitly ruling out the possibility of targeting Mr. Saddam, Clinton made it clear Thursday that such an attack would violate U.S. policy, which states that political assassinations are not in U.S. foreign policy interests.

"Our interest is in preventing Saddam Hussein from building biological, chemical, nuclear weapons capability" along with "the missiles to deliver such weapons," he said. "That is our interest. That's where the authority from the United Nations resolutions rests."

He added: "Would the Iraqi people be better off if there were a change in leadership? I certainly think they would be. But that is not what the United Nations has authorized us to do. That is now what

our immediate interest is about."

U.S. defense officials said that Mr. Clinton had decided to send the 24th Marine Expeditionary Unit to the Gulf and that additional F-117A Stealth fighters and B-52 bombers might also be dispatched to the region, although final orders had not been received. "I expect the official order on the Marines to come within hours," an official said. "That decision has been made."

The Marines would join 24,400 U.S. military personnel already in the region, most at sea with two aircraft carrier battle groups that include 14 combat ships, 11 support vessels and 325 warplanes. The Invincible, a British aircraft carrier, is also in the region.

The British foreign secretary, Robin Cook, speaking Thursday in Kuwait, said Baghdad would be given every possible opportunity to find peaceful end to a standoff and warned Mr. Saddam not to risk the consequences of military action.

In Baghdad, Mr. Saddam ordered the release Thursday of all Arab prisoners held in Iraq in a move that appeared aimed at winning Arab sympathy. The Iraqi press agency INA announced the move just hours after the president with the secretary-general of the Arab League, Esmat Abdel Meguid.

It was not immediately clear how many prisoners were involved.

(AP, AFP, Reuters)

■ Again, Yeltsin Warns of War

David Hoffman of The Washington Post reported from Moscow: President Yeltsin, for the second day in a row, strongly warned the United States on Thursday against the use of force in Iraq, saying Russia "would not allow" a military strike and repeating that it could lead to "world war."

The Foreign Ministry added, however, that Russia would not "resort to extreme measures" in response to Mr. Clinton's order to bolster troop levels in the Gulf.

"We should not allow an armed strike, an American strike, whatever the circumstances," Mr. Yeltsin said to reporters on the eve of a planned visit to Italy and the Vatican. "I told Bill Clinton that we would not allow that."

ASIA/PACIFIC

Seoul Backpedals on Nuclear Pact**Funds Are Lacking for Reactors for the North, U.S. Is Told**By David E. Sanger
New York Times Service

WASHINGTON — South Korean officials have told members of President Bill Clinton's administration that Seoul's financial crisis has left it unable to pay its promised share for the construction of nuclear power plants in North Korea, the key element of the deal that halted the North's nuclear weapons program three years ago.

South Korea was expected to ask the United States and Japan, in a meeting on the nuclear accord in New York on Thursday, to provide more for the early stages of the project. The U.S. Congress, however, has refused to fund directly the reactor construction.

American officials are concerned that any signal from Seoul that it is slowing the \$5 billion civilian nuclear project could embolden North

Korea to break its commitment to halt its nuclear weapons program.

The South's effort to delay its payment is the most conspicuous example yet of how the Asian financial crisis is spilling over into American foreign-policy problems in the region.

The incoming South Korean president, Kim Dae Jung, has repeatedly said that Seoul is committed to carrying out the 1994 accord. But devoting tens of millions of dollars to the early stages of the project when the government is in the midst of an austerity campaign and workers are facing mass layoffs has become what one senior South Korean official called "a very delicate political problem."

After lengthy delays, the project is just getting under way. North Korean workers, in conjunction with engineers

from the South, are clearing the site for the two nuclear plants.

Last week, the Nuclear Regulatory Commission in Washington published an unusual notice in the Federal Register: a request from Combustion Engineering, a nuclear equipment producer, for a license to export two reactors, for "commercial operation of electricity," to North Korea. Ordinarily, exports of virtually any sensitive goods to the Communist country are barred.

The notice was something of a diplomatic gaffe, officials acknowledged. The 1994 accord calls for the reactors to be of "Korean style" to calm South Korean objections that Seoul was paying for reactors made by American companies.

American officials familiar with the sensitive negotiations over the nuclear deal said Wednesday that they suspected Seoul may be using the financial crisis to test Washington and Tokyo's willingness to pay for a bigger part of the North Korean project.

The South wants the Americans to commit money to building the light-water reactor, something Congress has refused to do, though the United States has spent about \$100 million sending fuel oil

to North Korea to supplement its energy supplies.

"We have made it clear that we do not think Congress is prepared to fund the light-water reactor for the North under any conditions," a senior U.S. official said, speaking on condition of anonymity.

It is not clear how North Korea will respond to South Korea's talk about the financing.

"The reactors are the quid pro quo for freezing the nuclear program," said Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control. "If the reactors don't go forward, we will confront at some point North Korean reluctance to do their part of the deal."

The 1994 accord defused a diplomatic confrontation with North Korea that came close to triggering hostilities along the Demilitarized Zone between the two Koreas, according to two recent studies.

South Korea and Japan have been haggling over how to divide the cost of the reactors. Japan has discussed an investment of more than \$1 billion.

The meeting Thursday was

scheduled to try to resolve that dispute. But one American official said it was now clear that "the financial crisis is going to keep us from solving this problem this year."

Mr. Clinton's speeches during the meeting are also reproduced in English and Chinese.

Described in a promotional poster as "indispensable for party and government organs, social groups, foreign affairs organizations, education and research institutions," the book was unveiled Wednesday at a Foreign Ministry news conference.

Gu Chongli, chief editor of the state-owned World Affairs Press publishing house, said the book will be formally presented at the annual national book fair that begins Friday in the Chinese capital.

Mr. Guo said the book, with an initial press run of 11,000 copies, will be widely promoted across China and sold for 18 yuan (\$2.17) in the national Xinhua bookstores.

At least as important as the text — mostly fairly tame political speeches by the two leaders and fawning editorials from the People's Daily and other publications — is the presentation.

The cover photograph of Mr. Jiang and Mr. Clinton is framed by a border of linked Chinese and American flags. The promotional poster shows more photos of Mr. Jiang smiling and laughing with American leaders including Mr. Clinton, Vice President Al Gore, Secretary of State Madeleine Albright, the House speaker, Newt Gingrich, Republican of Georgia, and others.

The book contains references to bilateral problems, including "major differences on the question of human rights."

But it makes no mention of the Oct. 29 White House news conference in which Mr. Clinton and Mr. Jiang, who is also chief of China's Communist Party, engaged in a brief, pointed debate over the Tiananmen Square crackdown in 1989.

Rone Tempst

*Los Angeles Times***China's Spin on U.S.****Book on Jiang Visit to Washington Puts 'Partnership' in Positive Light**

BEIJING — Soon to be found on bookshelves across China: The Bill Clinton-Jiang Zemin story.

Although not as titillating as some of the sagas circulating in Washington, this 237-page glossy paperback with smiling Presidents Clinton and Jiang on the cover is still something of a political milestone. For one thing, few other government-authorized books in recent memory have offered such a positive spin on the United States.

Besides eight pages of color photographs from Mr. Jiang's official visit to the United States from Oct. 26 to Nov. 3, the book, "Building a Constructive China-U.S. Strategic Partnership," includes two short speeches that were delivered by Mr. Clinton during the summit meeting.

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BRIEFLY

Leftists Claim Attack at Narita

TOKYO — A radical leftist group took responsibility Thursday for a rocket attack at Tokyo's main international airport and mocked security measures for the Winter Olympics in Nagano.

In the attack Monday at the Narita airport, three rockets were fired into a cargo plane area, injuring an airport worker. Two of the projectiles exploded.

The Revolutionary Workers Association sent letters to news organizations claiming responsibility, a spokesman for the National Police Agency said. In the letter, the group said it was opposed to the construction of a second runway at the airport. It also criticized the U.S.-Japanese military alliance.

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EUROPE

Italy and U.S. Dispute Path of Plane That Caused 20 Ski Lift Deaths*Compiled by Our Staff From Dispatches*

CAVALESE, Italy — Italy said Thursday that a U.S. warplane had strayed off course before snapping a cable car's overhead wires, sending 20 people hurtling to their deaths, but an American officer insisted that the plane had kept to its designated flight path.

As an angry nation, meanwhile, demanded an accounting, U.S. officials promised to cooperate fully with the Italian investigation of the affair.

The Italian defense minister, Beniamino Andreatta, told a parliamentary committee that the U.S. Marine EA-6B Prowler surveillance plane had flown far off course and must have dipped under the cable car wires in the Dolomite mountains on Tuesday.

"The only explanation for the impact on the plane's tail is that the craft hit the cable lines as it was flying back up from below the lines," he told a parliamentary defense committee hearing in Rome.

He said the plane was 10 kilometers off its set

route and should not have been flying lower than 2,000 feet (600 meters).

"There would not have been any danger had the aircraft kept to the regulations," he said.

Media reports said the plane was flying at around 100 meters — about the height of the cables — when it caused the disaster Tuesday.

At the U.S. air base in Aviano, northeast Italy, Brigadier General Guy Vanderlinden said the pilot of the plane had been authorized to fly on a low-level mission and had not strayed from its scheduled path.

"The preliminary information we have indicates he was over the route," General Vanderlinden said. "The pilot was authorized to fly on a low-level mission."

The Marine Corps sent a seven-man investigating team to Italy to investigate.

"I think the altitude of the aircraft is the central issue to be discovered by the investigating team," he said. "I don't have the information that Minister Andreatta has."

In Washington, however, Defense Department officials said Wednesday that the plane appeared to have been flying far below the minimum authorized altitude for training missions.

While they said it was too early to blame the Marine Corps pilot or the plane's navigational equipment, the officials said they "cannot dispute" the view of the Italian prime minister that "magic recklessness" was responsible for the accident.

The jet, which carried a pilot and three other crew members, returned safely to the NATO air base in Aviano, in northern Italy, despite damage to its tail and one wing.

A U.S. official said Thursday that the pilot of the jet was on his first flight over the Cavalese region of Italy.

The pilot, identified as Captain R. J. Ashby, 30, from Mission Viejo, California, had 750 hours of flying experience including flights over Bosnia, a spokesman at Aviano said.

A statement from the base identified the three

other crew members as Captains P. Schweitzer, 30, from Westbury, New York, W.L. Raney, 26, from Englewood, Colorado, and P. Seagraves, 28, from Nineveh, Indiana.

On Thursday, the four crew members were still at Aviano base and will not be allowed to fly until the U.S. military inquiry has completed its work.

The main mission of the two-engine EA-6B jets is to identify the type and location of enemy radars and either jam their signal or attack them with high-speed anti-radiation missiles. Pilots do low-level training because in wartime they must sometimes fly as low as 100 feet to avoid detection by radar.

Residents of this small ski village in the Italian Dolomites, who say the roar of jets often jolts them awake at night, mourned the dead at a memorial service.

Among the 1,000 people attending the service 100 meters from the cable car station was General Richard Bethurem, commander of NATO air

operations in southern Europe, expressing American condolences.

"There's an ongoing investigation, a cooperation of Italian and U.S. authorities," he said. "It's our wish that this investigation comes to a quick ending, so that the healing process can begin."

Families of the victims poured into the sunbaked valley town. The mood in the ski town matched the chill conditions as relatives from Germany and Poland clasped each other for support and red roses on the blood-stained snow amid the wreckage of the yellow cabin.

Investigators will be trying to determine how the pilot failed, despite good weather, to see cable lines clearly marked on maps. Unconfirmed reports have quoted residents as saying military pilots often like to fly under the cables as a shortcut.

Prosecutors questioned the plane's crew on Wednesday, but the four servicemen refused to answer questions. (Reuters, AP, AFP, NYT)

BRIEFLY

Yeltsin Vows to Keep Reformers

MOSCOW — President Boris Yeltsin pledged Thursday to keep Anatoli Chubais and Boris Nemtsov in work until 2000, a move intended to move them out of the political doghouse and shore up confidence in Russia's reforms.

Mr. Yeltsin said people had attempted to unseat Mr. Chubais and Mr. Nemtsov from their posts as first deputy prime ministers to Prime Minister Viktor Chernomyrdin. "Undoubtedly, they have not made any attempt to rock the boat," he said of the two ministers. "But others have."

Mr. Yeltsin appeared to be referring to pressure from some Russian business interests to remove the pair from the government. "I will stand my ground," Mr. Yeltsin said. "I am telling you, both will continue working until the year 2000."

Mr. Nemtsov and Mr. Chubais are respected in Western financial markets for their expertise.

In another development, the lower House of Parliament, the State Duma, approved the government's 1998 draft budget on its third reading. Deputies in the opposition-dominated chamber approved the draft budget by a vote of 232 to 141, with one abstention. The fourth and final reading, usually a formality, is scheduled for Feb. 18. (Reuters)

Belarus Recalls Envoy to Poland

MINSK, Belarus — Belarus recalled its ambassador to Poland on Thursday, accusing Warsaw of meddling in its internal affairs by supporting opposition politicians.

"We recalled our ambassador for consultations and have been holding talks on the forthcoming visit of Polish Foreign Minister Bronislaw Geremek," Foreign Minister Ivan Antonovich said at a news conference. He said Mr. Geremek's visit, scheduled for the end of February, should be postponed until Minsk and Warsaw improved their relations.

Mr. Antonovich said the recall of the ambassador, Viktor Bursky, had been linked to a recent meeting of Belarusian opposition politicians in the eastern Polish town of Bialystok and to tougher border restrictions imposed by Poland on Belarusian citizens since Jan. 1. (Reuters)

Bonn Backs Holocaust Memorial

BONN — The government said Thursday it would not abandon plans for a Holocaust memorial in Berlin despite an appeal to Chancellor Helmut Kohl from 19 prominent writers to reconsider the project.

Germany's best known living writer, Guenter Grass, was among the signatories of the open letter sent Wednesday. It was addressed to Mr. Kohl as well as the parliamentary speaker Rita Stessmuth, Berlin city authorities and the private group that initiated the project.

A government spokesman said none of those parties had changed their position. "They have all agreed firstly that there will be a memorial to the Jews murdered in the Holocaust," he said. "Secondly, it will be on a plot of land set aside for this, and thirdly, the decision on the form of the memorial will be one of the four blueprints which we have before us." The letter argued that none of the four options was suitable for such a memorial. (Reuters)

Oh, Pooh: A Tempest in Winnie's Honey Pot*Compiled by Our Staff From Dispatches*

NEW YORK — The honey pot got stirred up Thursday — all because a British lawmaker wants five original Winnie-the-Pooh stuffed animals returned to Britain.

The situation of Pooh and friends won front-page coverage in The New York Times. The editorial page of The Times of London featured the "Pooh Five" comparing New York and London. The British culture minister, Chris Smith, promised to consider the case.

The special relationship between Britain and the United States was on a knife edge as a diplomatic squabble broke out over the future of five threadbare animals. The Financial Times reported.

As Prime Minister Tony Blair of Britain met President Bill Clinton during an official visit to Washington, a Labour member of Parliament, Gwyneth Dunwoody, started a campaign in the House of Commons to repatriate the "Pooh Five."

The animals are Pooh himself, Tigger, Kanga, Eeyore, and Piglet, five of the original toys on which A.A. Milne based his famous stories. (Roo, apparently, was lost by Mr. Milne's son, Christopher Robin, in an English field long ago.)

The five stuffed animals have spent the last 11 years in a glass case at a Manhattan branch of the New York Public Library, and the library was bombarded with telephone calls after Mrs. Dunwoody's repatriation campaign began.

The toys were donated to the library by E.P. Dutton, publisher of the original Winnie-the-Pooh book in 1926.

Mrs. Dunwoody com-



Don Emmert/Associated Press
The toys that inspired the Pooh books: Clockwise from left, Kanga, Winnie-the-Pooh, Eeyore, Piglet and Tigger on display at a New York City library.

plained about the toys in a formal House of Commons question to Mr. Smith. "They are part of our heritage and they want to come home," she said. "They look very unhappy indeed. I am not surprised considering they have been incarcerated in a glass case in a foreign country."

But a New York library spokeswoman, Nancy Donner, rebutted any accusations of animal cruelty to the "Five" in their climate-controlled glass case.

"By all reports, the Pooh Five haven't been this comfortable since their days in the Hundred Acre Wood," she said.

New York's mayor, Rudolph Giuliani, also took up the case. Saying "we're not a colony anymore," he put a visit to Winnie-the-Pooh on Thursday.

The toys were donated to the library by E.P. Dutton, publisher of the original Winnie-the-Pooh book in 1926.

Mrs. Dunwoody com-

looked after where they are," Mr. Blair said.

The toy animals took the unusual step of talking to the editorial page of The Times of London.

Piglet wasn't so sure about repatriation, telling the paper: "Back in England we've been very happy here," the mayor said, adding a historical barb: "We were freed a long time ago."

New York's governor, George Pataki, also rallied to the cause, saying, "There's no better place in the world for this kind of exhibit."

Mr. Blair, meanwhile, denied knowing much about the proposal to bring Winnie home and said on the ABC program "Good Morning America" program that the issue would be "down the agenda" in his talks Thursday in Washington. "I'm sure they're perfectly well-

in case, Piglet and Tigger probably won't have to worry about a trans-Atlantic move anytime soon."

Asked what he planned to do about Mrs. Dunwoody's plea, Mr. Smith said, "I must confess it is not something I have given detailed consideration to at this stage." (AP, Reuters, NYT)

Too Late, China Clears Flight by Balloonists*Compiled by Our Staff From Dispatches*

GENEVA — China belatedly gave three European balloonists permission to cross its airspace Thursday, but the team's control center said the clearance had come too late to save their round-the-world dreams.

The Breitling Orbiter 2 was flying northwest of Calcutta on Thursday, its speed having slowed to 11 kilometers an hour (7 miles an hour) in light winds.

The balloonists — Bertrand Piccard of Switzerland, Wim Verstraeten of Belgium and Andy Elson of Britain — now have no chance of picking up the jet-

stream winds needed to speed them over the Pacific on their way to becoming the first circumnavigating balloonists.

They are now expected to fly over the Bay of Bengal and on to Burma, a spokeswoman for the control center said. The balloon was expected to land Friday either in the Burmese capital, Rangoon, or in Pegu, one of Burma's ancient capitals, 65 kilometers (40 miles) northeast of Rangoon.

The flight director of the mission, Alan Noble, said Chinese officials had dropped their objections to the flight after intervention by the Swiss president, Mr. Piccard, Beijing had argued that the balloon posed a threat to other aircraft.

"It came as a bit of a shock to told we had permission when it was no use to us," Mr. Noble said.

But he added: "I'm certain the decision of the Chinese authorities, al-

though too late for us, will be good for other balloons."

Beijing's decision paved the way for a competitor, the British entrepreneur Richard Branson, and others to make new attempts to circle the globe. Mr. Noble said his team would make another attempt next year. (AP, Reuters)

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INTERNATIONAL
THE WORLD'S DAILY NEWSPAPER

OPINION/LETTERS

Doesn't America Deserve Better Than This?

By Bob Herbert

NEW YORK — The president's poll numbers are up, and large numbers of Americans are trying to cover their ears and close their eyes to any further developments in the Clinton-Lewinsky saga.

They are counseling the media to let the story go. Bill Clinton's sex life is his business. His and Mrs. Clinton's. And if the president can't keep his hands off the White House help — well, at least the economy is in good shape.

But willful ignorance never works. If we Americans had paid close enough attention to the Jennifer Flowers fiasco in 1992 we would have realized by now that these matters are not just about Mr. Clinton's sex life. They are about patterns of lying and abuses of governmental power that are at least as corrupt as accepting money in return for government favors.

In the fall of 1990 Ms. Flowers was broke and out of work. She called her friend Bill Clinton, then governor of Arkansas, and asked for a state job. Not much happened. The following February Ms. Flowers sent the governor a letter suggesting she was ready to do something drastic.

"Bill, I've tried to explain my financial situation to you and how badly I need a job and they ever ask if

... she wrote. "Unfortunately it looks like I will have to pursue the lawsuit to hopefully get some money to live on, until I can get employment."

Ms. Flowers was threatening to press a very public lawsuit against a radio station that had claimed she was Mr. Clinton's mistress. The governor got the message. Ms. Flowers was hired as an administrative assistant at a state agency called the Arkansas Board of Review.

This was bad news for a veteran state employee and mother of three named Charlotte Perry. Ms. Perry was up for the same job and filed a grievance when Ms. Flowers got it. A grievance committee ruled in Ms. Perry's favor, concluding that Ms. Flowers had been improperly hired.

That meant nothing. A Clinton crony named Don Barnes, who headed the Board of Review, rejected the committee's findings.

Early the following year, Ms. Flowers, on the tapes that she secretly recorded, can be heard telling Mr. Clinton: "The only thing that concerns me, where I'm, where I'm concerned at this point, is the state job."

Mr. Clinton replies: "Yeah, I never thought about that ... If they ever ask if



AND SO THE PRESIDENCY VANISHED QUITE QUICKLY, BEGINNING WITH ITS FEET AND ENDING WITH ITS MOUTH, WHICH KEPT SAYING, "I DID NOT HAVE SEXUAL RELATIONS WITH THAT WOMAN!"

CARTOON BY C. MARTIN

you've talked to me about it, you can say 'no.'"

And when Ms. Flowers told Mr. Clinton that she had lied about a certain matter to the grievance committee (she was under oath at the time), Mr. Clinton said, "Good for you."

Fast forward to Monica Lewinsky. Like Ms. Flowers, Ms. Lewinsky was a close friend of Mr. Clinton's. And she was looking for a job. She landed a position at the Pentagon with a top-secret clearance and lots of travel, but

it didn't pay much and didn't seem to be working out.

She was offered a job as UN Ambassador Bill Richardson, who had broken fast with her at the Watergate. She declined the offer. Last month she accepted a \$40,000-a-year job with Revlon, whose chairman, Ronald O. Perelman, is a major contributor to Mr. Clinton. Ms. Lewinsky was recommended for the position by the president's good friend Vernon Jordan.

Even as the Revlon offer

was coming through (it was rescinded when the scandal broke), Ms. Lewinsky was preparing a sworn affidavit, in connection with the Paula Jones suit, in which she denied that she had ever had sex with the president.

As with Jennifer Flowers, there is a convergence here of matters public and private that is repellent and dangerous. It is about more than Mr. Clinton's sex life.

It is about a governing style that is so reckless and so contemptuous of both the truth and the public that potentially paralyzing scandals are all but inevitable. It is about deceit as a way of life. The public may not want to know, but it has a right to know.

Last week Mr. Clinton looked the American people squarely in the eye and said, emphatically: "I did not have sexual relations with that woman, Miss Lewinsky."

The polls show that the public, on the whole, does not believe him.

Not even his closest friends believe him. But the economy is doing well. So we are supposed to sift through the moral wreckage that is the Clinton White House and find those bits and pieces of presidential credibility that might have survived.

You would think a great country like America would deserve better.

The New York Times

Clinton's performance do not think he had the affair or are reserving judgment.

Here is how he gets to that 67 percent approval rating: 32 percent of all Americans approve of Mr. Clinton's job performance and do not think he had the affair; 10 percent approve of Mr. Clinton and don't know whether he had the affair. And 25 percent think that he had the affair and still approve of his performance in office.

In other words, huge conclusions about all Americans are being drawn on the basis of just one-quarter of us who think he had the affair and still say good things about his performance in office.

True, one-quarter of Americans are a lot of people. Their willingness to give a higher priority to the president's professional achievements than to any matters sexual is crucial to his political health.

But the fact is that a substantial majority is trying hard to keep its view of Mr. Clinton's job performance and its view of his personal behavior in line with each other. There is no amoral majority.

These numbers should trouble White House spinmeisters who boast that the president is out of the woods. Most Americans think the president is doing a good job, and most of these are giving him the benefit of the doubt. But if new information should undermine the president's denials, you can count on his approval rating to go down.

Washington Post Writers Group

Only 25 percent of people polled both think Mr. Clinton misbehaved and still approve of him.

two majorities. One approves of the president. The other thinks he had the sexual relationship. The two majorities do not overlap nearly as much as everybody is claiming.

To figure this out, I sat down with Claudia Deane of The Washington Post polling department and did some analysis of The Post's most recent survey. The survey paralleled all of the others you have heard about: 67 percent of respondents approved of the president's job performance, and 53 percent thought he had the affair with Monica Lewinsky.

But here is what you don't hear about: Most of the people who approve of Mr.

LETTERS TO THE EDITOR

Presidential Matters

When I hear the Republicans criticizing President Bill Clinton's budget proposal as "the road back to the era of big government" — in the words of Dick Arrey, the House Republican leader (*IHT*, Feb. 3) — I gag at their hypocrisy. What could be more intrusive than Kenneth Starr's interrogation of citizens about their sex lives?

The government has no business asking people whether they had sex with so-and-so. There is only one answer to that question — "no" — and therefore the charge of perjury in this case is absurd. The question should not have been asked.

Only when one person claims that another forced sex on him or her should it become a legal matter.

Get those Republicans out of our private lives. Send the witch-hunters to bed!

BRUCE JOFFE
Oakland, California

I am writing about Senator Jesse Helms's comment that U.S. opinion polls showing an increase in President Bill Clinton's popularity "say a lot about the American people" and make him "sad" (*IHT*, Feb. 2).

These polls are not a sad commentary on the American people. Senator Helms's words, however, are a very sad commentary on the pompous, self-righteous and totally out-of-touch crowd of politicians, lobbyists and media personalities who mistakenly think that they, and not the citizens who live outside the Beltway, represent America.

The polls are proof that the American political system works. We have open and free elections, and no violence and only rare corruption in the electoral process. We care about the real issues.

What the polls show is that we have a capital totally out of sync with the nation. The quality of too many of the people we have sent to Washington leaves much to be desired.

DREW HORGAN
The Hague

As for me the real scandal occurred not when the Clinton story broke in Washington on Jan. 21 but when, the following day, the three leading U.S. news anchors left Cuba, where they had been sent to cover Pope John Paul II's historic visit.

JOAN LEWIS
Rome

In view of the astonishing soap opera, I would like to make a modest proposal:

Anyone running for government office must produce a medical certificate that he or she has been neutered.

FREDERICK S. WILDMAN
Colebrook, Connecticut

I can't count how many times pundits have compared President Clinton's alleged behavior with that of Richard Nixon: Both told lies and obstructed justice. Then everyone signs and the discussion ends.

But I would like to carry it further. Look at what was being covered up. Surely there is a great deal of difference between lying about a burglar in the office of your political opponent and lying about an act of consensual sex.

I do not claim that President Bill Clinton is not a big part of the problem. He has become a symbol of the Washington Syndrome: above any normal rules of behavior and, worse, answerable to no one.

On the other hand, whatever President Clinton's extramarital predilections, they are (within limits of discretion) his business and not matters of importance to public policy and governance.

However, the possibility that he has perjured himself or suborned the testimony of another is a serious matter and should be properly investigated. This process should take its legal course and the results should be made known in a clear and straightforward manner. If he is guilty, he can no longer serve as our president.

SHELDON LITT
Stockholm

As a French citizen, permit me to say that I generally admire and love Americans but right now find them utterly ridiculous. What business of theirs is the president's private life?

A president, or any other man, has the perfect right to as many mistresses as he wants, doesn't he? If Americans do not want their politicians to have mistresses, why don't they kick all the bimbos out of political workplaces?

It is incredible: America is at peace, unemployment is low, the crime rate is decreasing. Americans should be proud of their president! Don't they realize that their narrow-minded puritanism has made them the laughingstock of other

FRANK PEEL
Geneva

republics?

Karla Faye Tucker's Last Act: Putting a Face on Death Row

By Ellen Goodman

BOSTON — Death came to Huntsville, Texas, as a spectacle.

Somewhere in the gothic prison structure they call The Wall, the warden took off his glasses as a signal to let the execution begin and a lethal cocktail flowed into Karla Faye Tucker as she lay strapped to a gurney.

Outside, a crowd of 1,000 greeted her death with gospel songs or football cheers,

MEANWHILE

holding placards that read "Die Like a Man" or "Jesus Was a Victim of the Death Penalty."

The European camera crews that had come to the execution capital of America, home to seven prisons and 11,800 inmates, beamed home the pat-image of the Wild West. They broadcast the image of a backward Lone Star state where America's highest crime rate is unabated by its highest execution rate.

The death of this woman was preceded by an unrivaled celebrity star turn. She appeared on the religious broadcaster Pat Robertson's show, "The 700 Club," and on every network show that knew a good guest when it heard a freckle-faced ax murderer. After her life was over, survivors rushed back from her death gurney to "Larry King Live."

Few in the vast audience that came to view Karla Faye Tucker's face and even the contents of her last supper — the banana, the peach, the tossed salad — had ever heard of Michael Lockhart, the man who was put to death in Texas since the Civil War. But as long as I have wrestled over the issue of capital punishment, it is not the criminal's gender but the legal system's failability that has given me greatest pause.

In 1863, Ms. Tucker's female predecessor, an innkeeper named Chippie Rodriguez, was hanged for the murder of a customer found floating in the Arkansas River. In 1985, the Texas state legislature passed a bill clearing her name. Better to have passed a bill allowing life without parole — which Ms. Tucker asked for but which does not exist under Texas law — than a postmortem pardon.

But however uncomfortable I am with the idea that we need an attractive white female believer — media-friendly and married to a minister — to induce second thoughts about the penalty that put 37 men to death in Texas last year, I give this murderer her posthumous due. Any way you look at it, Karla Faye Tucker put a face on death row.

Not far away from The Wall, there is a cemetery where men killed by the state of Texas are buried. The graves are marked with uniform white crosses and prison numbers instead of names. For one moment before death, Karla Faye Tucker broke through that silent graveyard of anonymity.

The Boston Globe

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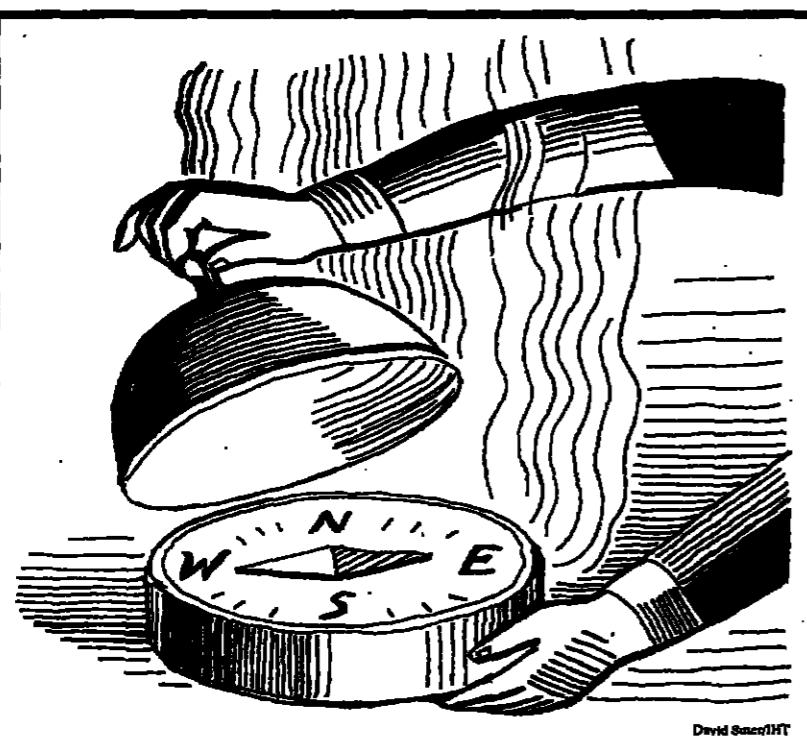
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Leisure

PAGE 10



Getting Modern, Going International *The Trendy, Quirky and Fine*

By Patricia Wells
International Herald Tribune

HONG KONG — With Hong Kong at the helm, all of Asia is witnessing a new era in cuisine. From city to city, the young, hip and modern diner is finding a deluge of restaurants especially created for youthful tastes and styles.

The handover of Hong Kong to China in June inspired a flock of restaurants that scream MODERN with giant capital letters: Out with giant banquet-style dining halls, fluorescent lights and red flocked wallpaper; in with intimate salons, halogen track lights and clean, white minimalist walls.

The biggest revolution here is taking place in what the locals now call SoHo, for south of Hollywood, in the Lan Kwai Fong district in central Hong Kong. While the aromas of Stanton and Elgin streets used to be ink and furniture polish, the air is now filled with the scent of freshly roasted coffee, garlic, tacos and beer.

With names such as Nepal (with Himalayan yak's cheese for dessert), Desert Sky (with Persian carpet place mats), Club Casa Nova (fresh potato gnocchi), Sherpa (Himalayan coffee) and Caramba (Mexican tacos and beer), the culinary revolution is a sign that young Hong Kong residents want more than dim sum and Peking duck. They also want the Western lifestyle and all that goes with it. They want cafés where they can hang out all day with a cup of java, and they have it with Staunton's Bar & Café, with its open feeling and giant glass windows onto the street. When they do go Chinese they want it to be retro, like the Red Star Café with its own beer and Mao-era posters of blue-clad revolutionary workers.

HOLD THE SUBSTANCE

They want everything that they consider cosmopolitan, youthful and a bit bohemian. And in weight-conscious Hong Kong, they want food that has more style than substance.

Wherever I went in Asia, the trend among the thirtysomethings was clear. Vegetarianism is on the rise, and many restaurants have a "no red meat" policy. Red wine is the drink of the moment (Bordeaux, please, preferably top vintages and preferably rare). A whole new style of tea shops — offering extensive and rare collections — caters to the young and well-heeled. Juice bars are the rage, as people pause for such elixirs as carrot, parsley and spinach juice ("for twinkling eyes, vitality, great teeth & gums, good circulation, better digestion and Vitamins C and E."

There is at last a resurgence of interest in Southeast Asian food, as Thai and Vietnamese restaurants (largely ignored in Hong Kong for years) appear with SoHo's Wyndham Street Thai and Vietnamese Café du Lac. American-trained chefs with an

Asian bent are also flying high in Asia. The French-born Jean-Georges Vongerichten (with Asian-French restaurants in New York and London), has opened another Vong in the Mandarin Oriental Hotel. In Singapore, the American-born chef James Chew (who trained at Stars in San Francisco and Vong in New York) oversees Brewerkz, a splashy microbrewery and restaurant modeled after those in America.

There are, of course, inconsistencies and contradictions. Take a look at the menu of the sleek, cool, chic Joyce Café with three addresses in Hong Kong and others throughout Asia. Decorated in black-and-white photographs of Hong Kong's markets, and clean lighting, the cafés are magnets for those who want to see and be seen. The menu is largely Asian, with a Salad Kyoto that combines crab roe and king crab leg, lemon zest, cucumber and avocado and fragrant shiso leaves.

DESSERT BINGO

Sensible enough. But only so one can go wild on desserts: Such as a warm phyllo tart of figs and berries topped with walnuts and strawberry ice cream. Or dark chocolate and marmalade fudge cake with King Island cream. And then there is the fusion craze.

Or too often, confusion. I have to ask, with all the complexities, intricacies and wonders of Asian cuisines — whether it be Japanese, Chinese, Thai or Vietnamese — why dilute the power and pleasure with willful Westernization?

They call it an attempt to combine the best of food from around the world into a single cuisine. But who in his right mind would order Lobster Nachos with Boursin Cheese, Asian Tomato Relish and Guacamole? Or Spicy Gazpacho with Black Truffles. Or Wasabi Mousse with Oscietra Caviar and Shiso Potato Chips.

All these, and more, are found on the menu at Felix, the ultramodern, ultra-trendy and frankly beautiful Philippe Starck-designed restaurant atop the newly renovated Peninsula hotel. What happened, I wonder, to the chef who felt he had a responsibility to his diners as well as the ingredients to honor both the dish and the diner?

HOTELS throughout Asia have been quick to catch on to the youthful appeal of multiple cuisines. At Raffles in Singapore, the already popular Doc Cheng features not only a mix of Asian and Western fare, but specially designed dining utensils, one end is a fork or a knife, the other a chopstick.

In June, the Hyatt Singapore hopes to open Mezza9, an atmospheric, jazz-enhanced dining room with no less than nine show kitchens, featuring everything from European deli fare to a sushi bar, open Chinese kitchen, a walk-in wine cellar and a martini bar and cigar room. Everything but a place to park the kids.

Next week: Thailand

GREAT EXPECTATIONS

Directed by Alfonso Cuarón. U.S.
If there's any hope of enjoying "Great Expectations," you'd better lower 'em. Start off by purging Charles Dickens from your mind. You must not think of the 19th-century English author whose novel was the basis for this movie. While the movie, which stars Ethan Hawke, Gwyneth Paltrow and Robert De Niro, is passingly reminiscent of its literary source, it's so modernized, so retrofitted (maybe "sampled" is the word) for the MTV nation, you'll have to experience the drama in a different way. Finn (that would be Pip, oh insistently literate ones), played by Hawke, is a pre-teen Gulf Coast beach bum who lives with his fishing uncle (Chris Cooper) and has incipient artistic inclinations. Wading in the ocean one day, sketchbook in hand, he's accosted by an escaped convict (De Niro), who demands assistance. He or-

ders the kid to bring him food and something to break his ankle chains. When Finn (played as a boy by Jeremy James Kissner) returns with the goods, the convict orders him into a motorboat and heads for Mexico. But the Coast Guard patrol intercepts them, leaving the convict hiding behind a buoy and Finn more than ready to return home. Shaken from the experience, Finn gets on with the rest of his life, which includes regular visits to a neighboring, run-down mansion called *Paradiso Perduto*. The owner, an eccentric woman called Miss Dinsmore (Anne Bancroft) who (like Dickens's Miss Havisham) lives in a state of jilted mourning, invites Finn to return every week to play with her beautiful, diffident niece, Estella (played at this early stage by Raquel Bezaude). After an erotic kiss at the water fountain, and an extended dance sequence, these kids grow up to become, well, Hawke and

Cruising Fjords With Inches to Spare *Land of the Midnight Rainbow*

By Sarah Ferrell
New York Times Service

BERGEN, Norway — On shore, the Midsummer's Eve bonfires twinkle dimly in the sunshine as we sail out of Bergen. Jet-lagged, we seek out our cabin and go to bed long before dark. It is about 11 P.M., and by the time our ship makes port in Flora — the first of several dozen stops on this 2,500-mile voyage along the western coast of Norway — we are sound asleep, missing one of the few chances that we are going to have to watch the sun set.

My husband, Tom, and I have signed on for a round-trip cruise on Bergen Line's *Nordnorge*, one of 11 ships that sail, year round, from Bergen around the North Cape to Kirkenes, a town a few miles from the Russian border. The voyage encompasses the better part of 12 days and, for all practical purposes — much of our route is above the Arctic Circle, and it is the latter part of June — no nights.

The 464-berth *Nordnorge*, which went into service in March, is the newest of the fleet, replacing the 219-berth *Kong Olav*. Until 1993, northern Norway was isolated during the long winter; in that year, however, the coastal steamer service was inaugurated function throughout the year delivering mail, cargo and passengers. Although trucks and planes now deliver the mail, the coastal vessels still carry cargo, local passengers and an increasing number of tourists.

OUR cabin is just wide enough to accommodate two narrow bunks, one that turns into a sofa by day and one that folds flat against the wall, and a small table, with shelves for binoculars and bird books, set between them. There is a comfy chair, a dressing table and built-in storage units into which an amazing amount of stuff can be made to disappear. The bathroom is small, but has a big medicine cabinet, an excellent shower, thick white towels and an electrically heated floor. Not an inch is wasted, but it remains just this side of cramped.

Public spaces are ample, especially the two glass-walled lounges on the top deck in which one can sink into well-upholstered chairs and watch the frequently awe-inspiring scenery go by. The *Nordnorge* has no swimming pool (although there is a small sauna and an exercise room with four machines, two of them bicycles), no casino (unless you count a game room with three video adventures and four slot machines) and only limited entertainment, e.g., a tiny dance floor in the Steffie Polaris bar.

We are, however, aboard for the 24-hour

scenery and the sheer excitement of being on a ship that navigates among islands and fjords with what seems like only inches to spare. One of the most dramatic events is the northbound approach to the Lofoten Islands, a wall of impenetrable-looking mountains that extends about 60 miles (100 kilometers) from the coast into the sea. They loom ahead as a dark, spiky mass silhouetted against a cloud-scattered blue sky; snow streaks their summits — Norway has had a late, hard winter. As we approach a pair of fierce gray peaks, their slopes change from gray to dragon-skin green, little villages appear at their bases, and a narrow passage opens up, through which the *Nordnorge* glides.

TURNING ON A DIME

A little farther north, the ship makes a detour for the Trollfjord, slipping into a passageway between almost vertical stone walls. The fjord, which is said to be about 100 meters wide at its entrance, the *Nordnorge* must, and does, turn on a dime to get out again. The mountains on each side seem near enough to touch, and ring with the sound of dozens of rivulets and waterfalls as the snow melts in the warm sun. Afterward, what is called Trollfjord soup (it seems to be mainly onion) is served on the open

deck to restore our nerve. We stop for several hours in the university city of Tromsø, long enough for a look at the town, its Arctic Cathedral (inside inside out), and its museum, which has a display of Sami (Lapp) culture that will prepare us for the next day's jaunt to the North Cape. For such visits, the *Nordnorge* lingers in port longer than it would take to discharge and take on cargo; for other shore

excursions, the buses leave from one port and catch up with the ship at another.

Five buses, labeled by language, await us as we disembark for the North Cape: one Norwegian, two German and two English. We get our first look at tundra, a lunar landscape streaked by snow and marked by the occasional rock pile or dark tarn. This is the season when the Sami — only about 7,000 of them, or roughly 10 percent, still live as reindeer herds — are encamped with their reindeer herds.

The North Cape is the closest thing Norway can produce to a tourist trap, but it's fun all the same. Said to be the most northern point in Europe (although a little spit of land to the west is slightly more northern), its attractions include a big bar, a bigger gift shop, a small chapel and a series of charming little dioramas representing such visitors as Francesco Negri, an Italian priest who got there in 1664, and King Oscar II of Sweden and Norway, who is shown crawling up the cliff on his hands and knees in 1873.

We have noticed an increase in bird life as we have moved north, and indeed, we have passed near (but not near enough) some famous bird breeding rocks. But as we approach Kirkenes, our northern terminus, flocks of terns — we recognize them from our bird books — come to us.

We turn around at Kirkenes, then proceed across a bit of open sea. The terns suddenly disappear, to be replaced by sportive kittiwakes, who perform aerobatics beneath our bow. In the distance, a few fat little buzz bombs struggle through the air; we are not close enough to tell for sure, but we guess they are puffins, notoriously clumsy fliers who live in large colonies around here.

There are fewer tourists on board for

the southbound leg of the trip, since the contingent that got off at Kirkenes has not been fully replaced by those going to Bergen. In addition, the weather, which is famously unpredictable (pack sun hats and woolies), and has been, in our case, glorious if occasionally brisk, has begun to change. It is raining in Tromsø, then misty at midnight in Tromsø, requiring the cancellation of an excursion to the top of a funicular to observe the midnight sun.

It is still foggy the next morning in Harstad when we get on the bus. (There are only two now, English-French and German-Norwegian.) Our first stop is at Trondheim church, an austere stone structure built on a windswept headland in the middle of the 13th century and much restored over the years. We are met by the vicar, a rather gloomy young man, who conducts a brief multilingual service.

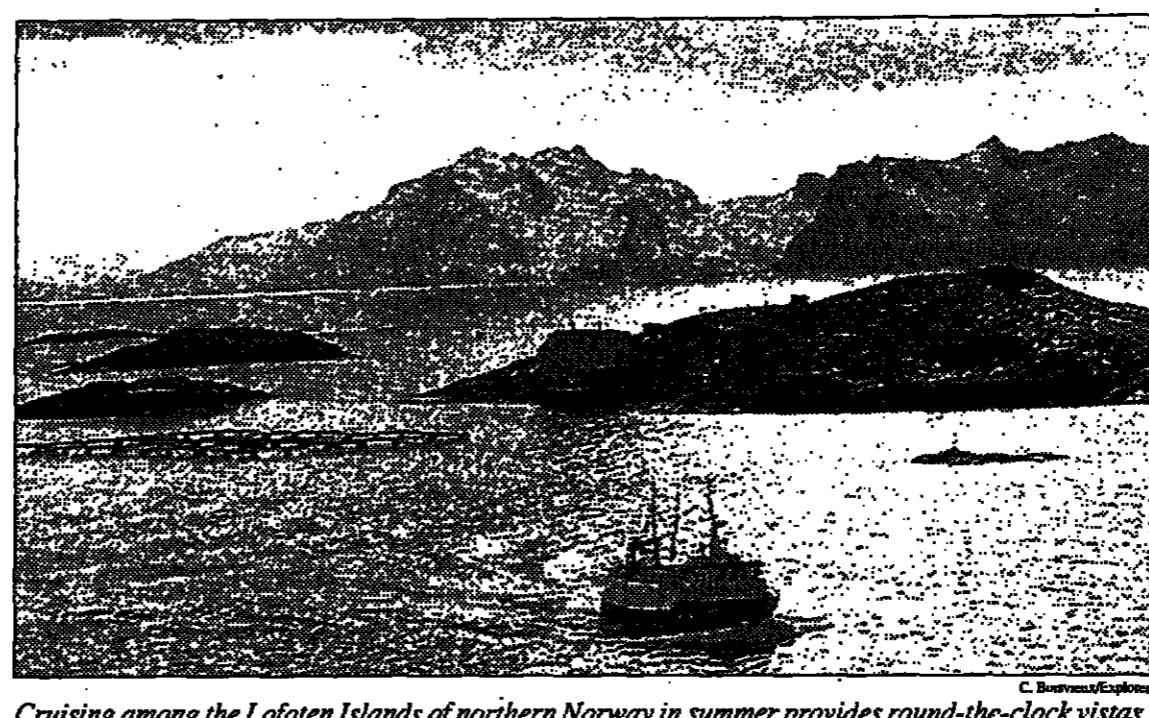
SINCE we are running early, we have an additional stop a bit later to examine the Adolf Gun, one of the long-range guns installed by the Nazis to defend the Norwegian coast against an Allied invasion that never came. It was supposed to have a range of 35 miles and it is, needless to say, big and scary. The excursion ends at the little town of Sordland, timed (by dint of much phoning back and forth) so that our buses are crossing a soaring bridge just as the *Nordnorge*, which we rejoin for lunch, passes underneath.

The afternoon has become dazzling as we make our second pass through the Trollfjord — perhaps even more dramatic this time around, since you really don't see the narrow entrance until you're right on top of it — and the wind is whipping the surface of the water into a million flashing sequins. The shallows are a brilliant jade color, and the ship leaves a turquoise wake. No soup this time, though.

It is a brilliant night. At some point in the wee hours, we look out our cabin window and there, daughter of the midnight sun, is a great Arctic rainbow.

The following days bring other pleasures: a tour of Trondheim and its medieval cathedral; a detour past Torghatten, a mountain with a strange hole running right through it, the softer geology of central Norway. But it is the memory of the Arctic part of our journey, the elation of the *midnight* light, that will remain with us longest.

Prices for the 12-day cruise range from \$1,295 per person, double occupancy, for one of the older ships during the dark months to the nearly \$2,500 a person for the newest ship in high summer.



Courtesy of the Lofoten Islands of northern Norway in summer provides round-the-clock vistas.

NIGHTLIFE

Going to the Head of the Class in Salamanca

By Al Goodman

SALAMANCA, Spain — A city that has housed a university since the 13th century is bound to know a few things about intellectual watering holes, and the current crop includes great names like the bars called Cum Laude and La Biblioteca (The Library).

But as any professor can attest, there's more to a bar than its moniker. Design and ambience are paramount, not to mention a mathematically correct supply of booze.

At the head of the class is a madcap, spacious club called La Posada de las Almas, or Inn of the Souls, a short walk from the central Plaza Mayor.

The club is the creation of Angel Bajo, from the nearby provincial capital of Zamora, who has done the designs for 10 clubs in town. Far from imitating the sleek, clean lines of the vanguard bars in Barcelona or Madrid, Bajo bets on cheeky period themes, fancy old lamps, graceful mirrors and sleuthful lighting.

On the larger side is the 19-foot-high ceiling, which gives the club an airy feeling even when it's crowded, a big advantage over many other stuffy, smoky nightspots in town.

A black metal catwalk runs along the back wall and cuts across the front middle section of the Posada. Clients are not allowed up top but can gaze at the balcony, which features three tables set with wine glasses and lace cloths, although no one ever dines there.

Also toward the ceiling are five outsized figurines, like the "giants" used in Spanish processions. Watching over the clientele are a king, a queen, a cleric with wrinkled forehead and two helmeted, bloodied warriors, the latter representing death.

It's easy to work up a thirst with so

much browsing, and the bar responds with 100 options, including a small selection of beer and wines and a broad array of liquors. Coffee, served until about midnight, costs 150 pesetas (\$1) and beer starts at 250 pesetas.

The most expensive drink in the house costs 7,000 pesetas for Ballantine's 30-year-old Scotch whisky. Strangely, one has ordered it during the club's two-year existence, yet the staff shows off the handsome, unopened bottle, if asked.

The music is mainly American and British rock, pop or soul, not quite loud enough to prevent conversation. The quietest corner is near the rear bar. The club naturally has plenty of college students — there are 35,000 of them in Salamanca — yet it also attracts a broader range of age groups, especially before midnight.

ROMANCE abounds: a couple locked in embrace at the main, white marble-topped bar; the tall male bartender and the petite slender barmaid showing exceptionally warm co-worker relations when they aren't pouring drinks.

The main bar is decorated with seven brass lamps, like those formerly found in university libraries, and seven intriguing circular factory molds that once made cookies.



Scene from "Great Expectations."

The big clock on the front wall stopped at 10 minutes to 7; is purposely left broken, "to give the sense that time doesn't advance" in the club, said Felix Hernandez, who studied law in Salamanca before becoming a partner in the Posada.

TIME FOR A CHANCE? But if your own internal clock says that it is getting too late or noisy at the Posada, there is a quick escape just across the plaza at the cozier Café Bar Juanita. The music is softer and the tables stay in place all night, unlike at the Posada, which removes its numerous tables and chairs at 10:30 P.M. on crowded weekends to make room for more patrons.

Juanita, which opened a year ago, has a cabaret look, with painted wallpaper, an arched ceiling, photos of old film stars and even a few millie pails hanging on the wall. It provides a smooth contrast to the Posada, and not accidentally. The designer for both clubs was the same.

La Posada de las Almas, 7 Plaza de San Boal, (34-33) 269-438, open daily from 6:30 P.M.

Café Bar Juanita, 21 Plaza de San Boal, open daily from 3:30 P.M.

Al Goodman, who writes for The New York Times from Spain, wrote this for the International Herald Tribune.

MOVIE GUIDE

GREAT EXPECTATIONS
Directed by Alfonso Cuarón. U.S.
If there's any hope of enjoying "Great Expectations," you'd better lower 'em. Start off by purging Charles Dickens from your mind. You must not think of the 19th-century English author whose novel was the basis for this movie. While the movie, which stars Ethan Hawke, Gwyneth Paltrow and Robert De Niro, is passingly reminiscent of its literary source, it's so modernized, so retrofitted (maybe "sampled" is the word) for the MTV nation, you'll have to experience the drama in a different way. Finn (that would be Pip, oh insistently literate ones), played by Hawke, is a pre-teen Gulf Coast beach bum who lives with his fishing uncle (Chris Cooper) and has incipient artistic inclinations. Wading in the ocean one day, sketchbook in hand, he's accosted by an escaped convict (De Niro), who demands assistance. He or-

Paltrow, Life unfolds in a sort of music-video shorthand, whole lives flitting by in a mélange of beautiful images and sensual music. There's nothing wrong, nor particularly right about it. It just sits there, like a Nike ad. (Desson Howe, WFTV)

AFTERGLOW
Directed by Alan Rudolph. U.S.
Maybe there's a more ruefully beautiful screen actress than Julie Christie. But that's hard to imagine while watching her radiant performance in "Afterglow," Alan Rudolph's sinuous romance about a great-looking, long-married couple with a lively extramarital agenda. Christie, who won a best actress award from the New York Film Critics Circle for her soulful and alluring work here, is as haunting as ever in the role of a middle-aged woman who chooses to

INTERNATIONAL

ORIGINS: Window on an Ancient Epoch

Continued from Page 1

tually no clear fossil evidence of multicellular plant or animal life from that time period.

The new trove, found in a blanket of rock in southern China called the Doushantuo Formation, dating from 570 million years ago (give or take 20 million years), demonstrates dramatically that the "long and lightless" period known as the Precambrian is no longer beyond the reach of direct scientific investigation, researchers said.

The complexity of the Doushantuo fossils suggests that multicellular life originated much earlier than the 600 million year estimate some researchers have proposed.

According to a research team led by Shuhai Xiao of Harvard — with Andrew Knoll, also of Harvard, and Yun Zhang of Beijing University — the fossils provide "the first direct geological evidence in support of the hypothesis" that the main groups of multicellular organisms "diversified before the emergence of a conspicuous animal fossil record."

The history of life, as written in the fossil record, stretches from molds of microscopic bacteria in rocks almost 4 billion years old through bones of humans formed in ice-age gravel beds a few thousand years ago. But virtually all the major animal body plans seen on Earth today blossomed in a sudden riotous evolutionary springtime that began about 540 million years ago, in what is known as the Cambrian explosion.

Scientists had been confounded in their attempts to study the important period that set the stage for that remarkable flowering, presumably because life at that time was limited to softer packaging: worms, jellyfish and the like, which had no bones or shells to

leave behind as fossils. Researchers say the few impressions and traces of the period found until now — primarily from a group known as the Ediacaran — are so ambiguous that they have produced little more than arguments and confusion.

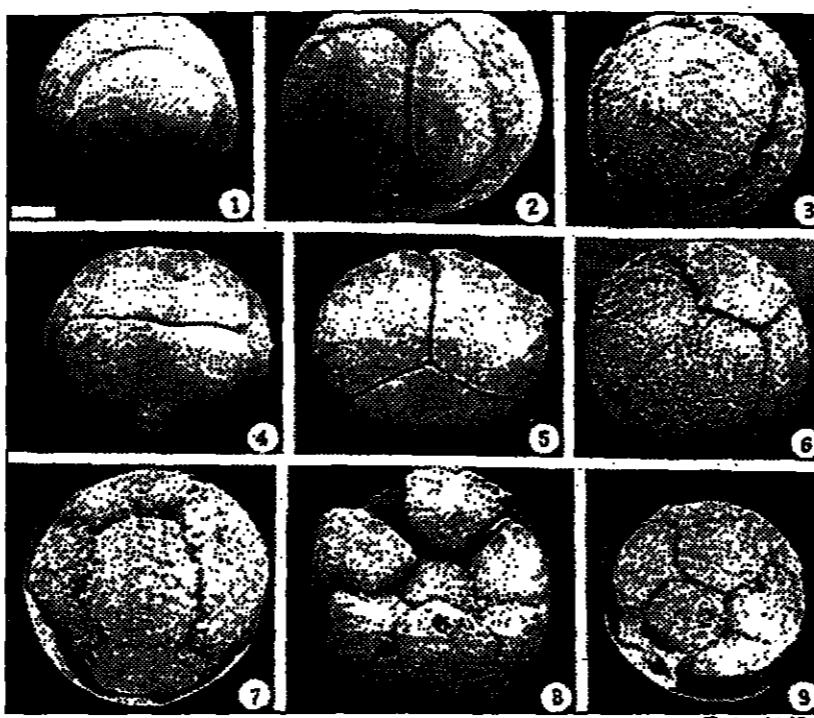
But the Doushantuo discovery, described by two teams of scientists in separate papers being published in this week's issues of the journals *Nature* and *Science*, have "really opened up a new way of looking for an older record of animals," Mr. Knoll said in a telephone interview. "It's as though the fog has lifted."

The key to the preservation is calcium phosphate, the familiar mineral of bones and teeth, known (in powder form) for its faithful replication of delicate tissues. But because it tends to occur in small patches, only fossils of a third of an inch or smaller typically are retained.

The 90-square-kilometer (35-square-mile) Doushantuo deposit provides "a potentially inexhaustible resource for understanding the early evolution of life," concluded the second team of Chia-Wei Li and Tzu-En Hua, both of National Tsing Hua University, in Hsin-chu, Taiwan, and Jun-Yuan Chen of the Nanjing Institute of Geology and Paleontology, in Nanjing.

The embryos may be the earliest known remains of "bilaterians," a more complex group than those of sponges or jellyfish. Bilaterians had developed a head and rear, with near-symmetrical left and right sides. That lineage includes "everything from flatworms to us," Mr. Knoll said.

The researchers noted that it was impossible to say exactly what type of adult animal the embryos would have grown into, and whether the fossils represent most of the life cycle of a microscopic animal, or the embryonic stage of a



A composite view showing some of the fossilized animal embryos at various stages of development: from a single fertilized egg to various multicellular units. The Precambrian fossils are nearly 600 million years old.

larger animal.

The Doushantuo collection shows that Precambrian algae already had attained many of the anatomical and reproductive features seen in modern marine flora, the researchers said.

Not only do the fossils provide the first convincing glimpse of this crucial period, "but the quality of preservation is almost unheard of, even in much younger fossils," according to Stefan Bengtson, a leading expert not on either team. He discusses both teams' work in *Nature*, in an accompanying article.

The preservation "offers insights into

cell-level anatomy, embryological development and life cycles," Mr. Bengtson says. "Such matters have not normally been considered to be open to investigation in fossils."

The Doushantuo fossils were found on the slopes of a mine in central Guizhou Province, about 600 kilometers (370 miles) southwest of the Yangtze Gorges. The workers are mining the phosphate-rich rock for use as fertilizer.

"Yes," Mr. Knoll said, "it's safe to say that some of the greatest fossils in the world are now fertilizer."

ASEAN: Japan's Neighbors Issue Warning

Continued from Page 1

volved in moves to reschedule huge private-sector loans that threaten to cripple trade and business in several of the worst-hit countries, including Indonesia and Thailand.

But ASEAN remains unconvinced and impatient for faster improvements. Many U.S. officials and economists fear that East Asian nations will try to export their way out of trouble by flooding the American market with cheap goods, undercutting local manufacturers and threatening U.S. jobs.

The parallel fear among many Southeast Asian officials is that unless Japan does more to absorb that flood of goods by stimulating domestic demand and putting its banking system on a stronger footing, the United States, under pressure from protectionist lobbies acting through Congress, will impose curbs on Asian imports.

Among the measures, analysts said, is a proposal put forward by Singapore under which a group of Indonesia's leading trading partners, including Japan, would agree to guarantee payment for Indonesian imports.

Because of the plunge in the value of the Indonesian currency, the rupiah, and lack of confidence in the Indonesian banking system, foreign banks have stopped accepting letters of credit issued by Indonesian banks.

As a result, trade threatens to grind to a halt and with it any hopes Indonesia has of exporting its way back to economic stability.

Mr. Anwar, who held talks with President Suharto in Jakarta on Thursday, said he had already written to the Japanese government expressing the sentiments of ASEAN.

Asked whether he thought Japan was doing enough to help the region, he replied: "I think there is room for improvement, and I think they should be more forthcoming compared to what has happened in the past, although I do certainly welcome their speedy and effective support, particularly for Thailand and Indonesia."

In response to criticism in the West that Japan was not doing nearly enough to help end the economic crisis in Asia, the Japanese deputy minister of finance

has repeatedly denied the allegations.

Pointedly using the past tense, Mr. Lee said that "as the dynamo of East Asia, Japan had played a key role in our economic development by its trade and investments."

Now "Japan must quickly get its economy back into health," he said. "It must take decisive measures to resolve its banking problems by injecting public funds into the country's banking sector to restore bank capital ratios to international levels. Then Japanese banks can play their role in getting the economy humming again."

CLINTON: Independent Counsel Issues His Strongest Defense of Investigation to Date

Continued from Page 1

yet again about his relationship with Ms. Lewinsky.

His response seemed to vary little from his earlier denials, though he had not previously referred to the "legal" charges or allegations. It was not clear whether that change was intentional. A sexual relationship with Ms. Lewinsky would not have violated any law.

The president on Thursday left the door open to the possibility that the White House might invoke presidential privilege to protect testimony by some top aides, a move that could lead to a quick confrontation with Mr. Starr.

One of the aides over whose possible testimony White House lawyers have expressed concern, the deputy chief of staff, John Podesta, appeared before the grand jury Thursday.

The question of invoking presidential privilege, normally used to protect diplomatically or militarily sensitive matters, has not been resolved by White House attorneys, Mr. Clinton said.

"Should it arise," he added, "I will await a recommendation from the White House counsel."

Mr. Starr conceded separately that executive privilege was "a recognized constitutional privilege," but made it clear that he would view such a White House position dimly if he thought there was an attempt to "prevent the grand jury from getting specific information."

"We want the truth," Mr. Starr said. "We want all the truth. We want it complete, accurate. And we will satisfy ourselves that we are getting it, and that is the absolute bedrock here."

Mr. Clinton's lawyers had sought to persuade the independent counsel's office to narrow the questioning of Mr. Podesta and other close presidential advisers, including the White House deputy counsel Bruce Lindsey.

But Mr. Starr's office, according to The Associated Press, sent a letter Wednesday to the White House counsel,

Charles Ruff, that left the president's lawyers convinced there was no room to seek compromise.

Prosecutors reportedly want a chance to interview Ms. Lewinsky's person to clear up the alleged contradictions. She is in California visiting her father, and her attorney, William Ginsburg, said she would not return to Washington before next week.

Even as Mr. Starr's office was standing firm in the talks with White House attorneys, Mr. Starr appeared to toughen his stance with Ms. Lewinsky's attorneys.

Mr. Starr's office reportedly set a deadline of noon on Friday for Ms. Lewinsky's lawyers to indicate whether she would talk with prosecutors, although she was talking with them.

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they whatsoever at this point — none whatsoever," he said.

According to secretly taped conversations made by Ms. Lewinsky's sometime friend and co-worker, Linda Tripp, Ms. Lewinsky has alleged she had an affair with Mr. Clinton and that he encouraged her to lie about it under oath. Mr. Clinton has repeatedly denied the allegations.

Yet, while the negotiations with Ms. Lewinsky and the White House have stalled, Mr. Starr, a former judge, appears to exude confidence about the evidence he is developing before grand juries in Washington, Little Rock, and Arlington, Virginia.

The extent of the Starr investigation, which originally revolved around real-estate deals in Arkansas, has led some of his detractors to join Mrs. Clinton in questioning his motives. Opinion polls show a majority of Americans believe that Mr. Starr, a moderate Republican, is politically motivated.

When one reporter asked whether his office was "at war" with the White House, Mr. Starr replied: "We are professionals. The law is the law, the law is sacred, facts have integrity, and we're going to do our job."

He added: "The attorney general of the United States gave this office jurisdiction over very serious allegations. Those allegations are possible obstruction of justice, intimidation of witnesses and subornation of perjury. That is an extraordinary set of circumstances. We're investigating those as promptly, as quickly as we can."

At the same time, the president has not backed down from his denials, on which his credibility, possibly even his presidency, might well stand or fall.

Mr. Clinton, who seemed stricken by the original charges, drew strength last week from opinion polls showing strong support for the job he was doing, even among many voters who were troubled by his explanation of the Lewinsky allegations.

When reporters asked Thursday about

the scandal, Mr. Clinton repeatedly emphasized that he needed to get back to the nation's business.

Mr. Blair, one of Mr. Clinton's closest political and personal allies, urged Americans to focus on their president's accomplishments.

"You've just got to have some sense of balance and perspective about the issues that really matter to people," he said on ABC-TV.

"You have a president who is doing a superb job, who has huge respect and standing on the international stage."

Mr. Blair added, "To me that is what counts."

Mr. Starr said Thursday that his investigation was "moving very quickly, and we have made very significant progress."

On Wednesday, the grand jury in Washington heard from Bayani Nelson, the chief White House steward, and Kris Engskov, a presidential assistant and friend of Mr. Clinton's since his Arkansas days.

The Washington grand jury also heard on Thursday from another former White House intern, Justin Coleman, who said he had worked in the "immediate office of the president" from August 1997 to January 1998, beginning more than a year after Ms. Lewinsky left the White House but during a period when she allegedly made several visits there.

Mr. Coleman, now a student at Brown University, told reporters, "I at no time had any knowledge of any relationship, proper or improper, between the president and Ms. Lewinsky." Four other witnesses have made similar statements.

Mr. Engskov, who testified Wednesday afternoon, took up his position in December 1997.

News reports have said prosecutors were interested in the nature of Ms. Lewinsky's last visit to the White House, on Dec. 28, after she had been subpoenaed to testify in the Paula Jones sexual harassment suit.

When reporters asked Thursday about

U.S. Pledges Food For North Korea

WASHINGTON — The United States will provide 200,000 metric tons of food aid to North Korea, which has suffered a three-year series of crop disasters, in response to a United Nations appeal for humanitarian aid, the State Department said Thursday.

In announcing the decision, the department spokesman, James Rubin, noted that the U.S. contribution would amount to 30 percent of the request by the UN World Food Program. The agency appealed Jan. 6 for 657,972 tons of food aid worth \$378 million. It was the largest appeal since the agency.

The aid will be provided in three parcels over a one-year period starting in April, Mr. Rubin said. (Reuters)

mann-Straussler-Scheinker disease.

The new version of the protein, known as a prion, is different from the ones believed to cause bovine spongiform encephalopathy, also known as mad cow disease; Creutzfeldt-Jakob disease, a rare and fatal human brain illness; or scrapie in sheep.

In the journal *Science*, Ramanujan Hegde and a team at the University of California at San Francisco wrote that they first found the prion in the brains of mice. (Reuters)

Moi Imposes Curfew In Kenyan Hot Spot

NAIROBI, Kenya — President Daniel arap Moi imposed a night curfew Thursday on all urban centers in parts of the Rift Valley area where more than 100 people have died in ethnic violence since Jan. 11.

The Presidential Press Service said that all businesses in Nakuru district would have to close between 9 P.M. and 6 A.M. and that police would arrest "anyone loitering."

Mr. Moi was quoted as threatening that "businessmen of a certain community, who we said were funding the violent activities, will have their business licenses reviewed." (Reuters)

A Rio Train Robbery

RIO DE JANEIRO — Thieves ambushed a Brazilian tourist train and robbed 42 foreigners returning from Rio de Janeiro's famed mountaintop statue of Christ the Redeemer, the police said. The tourists, including three dozen teenage exchange students, had cameras and cash stolen, the police said, but no one was injured.

The robbers forced the train to stop by blocking the tracks with branches and rocks. Military police scoured a nearby slum in search of suspects but made no immediate arrests. (Reuters)

ZIMBABWE: Discontent Boils Over

Continued from Page 1

African Regional Institute for Policy Studies.

"This is a series of mutinies," said Morgan Tsvangirai, secretary-general of the 300,000-member Zimbabwe Congress of Trade Unions, which called the one-day strike in December and has threatened to do it again.

In response to the riots, the government ordered the commercial price increase rescinded. It had acted similarly in response to the December labor strike, when it withdrew a new wage levy. Mr. Mugabe also has established a ministerial commission to look into price levels, the crash of the currency, market competition and ways of creating jobs. Unemployment is 50 percent.

The government has also assured international lenders that it will reduce state spending and privatize state assets. It will also try to restore confidence in the national currency, the Zimbabwe dollar, which lost 75 percent of its value against the U.S. dollar on one day in November, and try to rebuild the foreign reserves, which were so depleted that the government had trouble covering import costs late last year.

The International Monetary Fund said last week that it might soon approve \$176 million in balance-of-payments support to ease the crisis and help promote reforms. But the government has promised reform before, then abruptly shifted course for political expediency.

The current crisis stems from the domino effect of a series of economic calamities set in motion by corruption charges last year, beginning in March.

Faced with allegations that Mr. Mugabe's ministers and other high officials had looted a disability fund for veterans of the liberation war, the government suspended payments while it investigated who got the money and why.

A cabinet minister admitted that she received thousands of dollars she should

not have from the fund. Veterans protested the suspension.

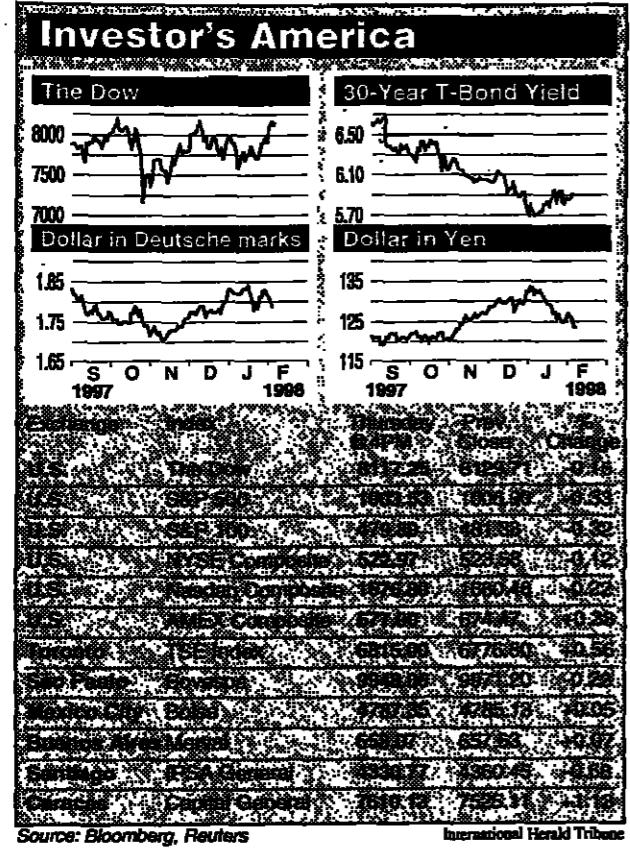
To quiet the 50,000 veterans eligible for compensation, Mr. Mugabe promised them lump sums totaling \$260 million. But the funds come from a national budget deeply in debt and in which no provision had been made for an immediate payout. Investors got jittery and the stock exchange began to flutter.

Then, it was revealed that foreign reserves were so low that imports could barely be covered for November and December. In response, the currency dropped like an anchor. Meanwhile, in a move a Western diplomat described as a "political diversion," Mr. Mugabe declared that his government would make good on its promise to acquire land for the rural poor by expropriating land of underutilized commercial farms, most of which are owned by whites.

With the announcement of the land plan, the economy shook further, since agriculture accounts for 40 percent of exports and fueled Zimbabwe's estimated 6 percent economic growth last year.

At the same time, Mr. Mugabe's cabinet, over the protests of Parliament, imposed a levy on workers' salaries and ordered more

THE AMERICAS



'Ashamed' Astra Settles Sex Suit

U.S. Unit to Pay Record Amount for Mistreating Women

The Associated Press

BOSTON — In the largest agreement yet of its kind, the U.S. subsidiary of the Swedish pharmaceutical company Astra AB agreed Thursday to pay nearly \$10 million to settle claims by former employees that they had been sexually harassed.

Astra admitted it had permitted a hostile working environment for female employees at its U.S. headquarters in Westboro, Massachusetts, the company and the Equal Employment Opportunity Commission said.

The \$9.85 million payment represents the largest settlement for sexual harassment negotiated by the commission. The money will

go to 80 current and former workers — more if others come forward later, officials said. One of the 80 is a man who said he had been punished for speaking out against the way the women were treated.

"As a company, we are ashamed of the unacceptable behavior that took place," Astra USA's new president, Ivan Rowley, said.

The company admitted that female employees had been asked for sexual favors in exchange for favorable treatment on the job.

The company has sued its former U.S. chief executive, Lars Bildman, for \$15 million. In an agreement with prosecutors, Mr. Bildman pleaded guilty last week to a tax charge and will be sentenced to 21 months in prison.

In its suit against Mr. Bildman, Astra said it planned to recover costs related to the commission's investigation.

Mr. Bildman ran the American operations of Astra AB before he was fired in 1996 amid allegations that he had spent company cash on home repairs, family vacations and high-priced prostitutes.

Mr. Bildman was accused of replacing mothers and older women employees with beautiful single young women who were then pressured into having sex.

Former employees said Mr. Bildman had demanded that eight hours of work be followed by eight hours of drinking and partying.

Wall Street Stumbles On Jitters Over Iraq

Compiled by Our Staff From Dispatches

NEW YORK — Stocks finished mixed Thursday, with key indexes pressured by worries about tensions between the United States and Iraq and U.S. employment data for January, which will be released Friday.

The Dow Jones industrial average closed 12.46 points lower at 8,117.25, and the Standard & Poor's 500 index fell 3.37 to 1,003.53.

But gains in issues outnumbered losses, one by a 4-to-3 ratio on the New York Stock Exchange.

The price of the benchmark 30-year Treasury bond fell 30/32 point

U.S. STOCKS

to 102 24/32, taking the yield up to 5.93 percent from 5.86 percent Wednesday.

"A strong jobs number could concern the market," said Ben Mayer, a bond manager at AMR Investments. If the data show a large number of jobs created in January, the Federal Reserve Board might be more inclined to raise interest rates.

The central bank left rates unchanged after its policy-making council meeting this week.

Computer-related shares, which had the most when Asia's markets crumbled over the past few months, continued to rebound.

"The Asian fears were overblown," said Tony Dwyer at Ladenburg, Thalmann & Co. "Those portfolio managers that got out of the market because of fears over Asia have to get back into the market."

Compaq Computer was the most actively traded issue, rising 3/8 to 35 1/8.

But 3Com fell 2 1/16 to 32 1/4 amid

concern that the company's inventory of modems and computer networking systems may be building because of a slowdown in sales.

Micron Technology fell 3 1/16 to 34 15/16 after Brown Brothers Harriman & Co. told investors to avoid stock in the maker of computer memory chips.

Kimberly-Clark rose 9/16 to 12 3/4 after the retailer reported strong sales for January. (Reuters, Bloomberg, AP)

Netscape Stock Rises Amid Talk of Merger

Bloomberg News

MOUNTAIN VIEW, California — Netscape Communications Corp.'s stock rose \$2.75 to close at \$22 Thursday amid speculation that the unprofitable Internet software maker's discussions with several companies would lead to a merger or acquisition.

Netscape has been in talks with International Business Machines Corp., Sun Microsystems Inc., Oracle Corp. and America Online Inc., people familiar with the discussions said. The talks have gone on for over a year and intensified as Netscape lost market share to Microsoft Corp.

"Netscape is desperate," said Keith Benjamin, an analyst at BancAmerica Robertson Stephens who has a "buy" rating on America Online. Netscape last week said it had a fourth-quarter loss of \$20.8 million, or 22 cents a share, before charges, compared with net income of \$8.16 million, or 9 cents a share, a year earlier.

German Jobless Report Spurs Mark

Bloomberg News

NEW YORK — The dollar fell against other major currencies Thursday, especially the Deutsche mark, as investors focused on a drop in Germany's seasonally adjusted jobless figure.

Germany's Federal Labor Office said the number of unemployed declined by a seasonally adjusted 72,000 in January, fueling speculation that the country's economic outlook may be improving.

If seasonal factors are eliminated, however, the number of jobless rose 30,600 to a postwar record 4.8 million.

Still, combined with expectations that the U.S. economy may slow, the number was enough to lure many currency traders to marks. Some took it as a sign German interest

FOREIGN EXCHANGE

rates may head higher in coming months.

"The data in Germany doesn't show the weakness that the market anticipated," said Seth Cohen, head of currency sales at Union Bank of Switzerland. "That's caused some movement into marks."

The dollar fell to 1.7870 DM in 4

P.M. trading from 1.8000 DM Wednesday, to 5.9880 French francs from 6.0370 francs and to 1.4433 Swiss francs from 1.4510 francs. It was steady at 123.555 yen. The pound slipped to \$1.6543 from \$1.6567.

The yen was underpinned by expectations that Japan's government will move aggressively to jump-start the faltering economy. On Friday, Japan's Parliament is expected to approve measures to bail out its debt-strapped banks. On Wednesday, the legislative body cleared the way for a tax cut and for public-works spending.

NYSE Approves a Shutdown Plan

Bloomberg News

WASHINGTON — The New York Stock Exchange's board approved a circuit-breaker plan Thursday that would keep exchanges open in all but the most extreme market plunges.

The proposal was developed by the Big Board's staff in response to concerns by government regulators that an earlier plan would have closed markets unnecessarily during steep stock market declines.

The proposal, which must be approved by the Securities and Exchange Commission, would close U.S. trading for the rest of the day only when the Dow Jones industrial average fell 20 percent after 2 P.M. New York time or 30 percent at any point. The rule also calls for markets to close for an hour if the average falls 10 percent before 2 P.M.

Trading would stop for 30 minutes if the index dropped by 10 percent between 2 P.M. and 2:30 P.M., and it would not be halted at all if the 10 percent threshold were crossed after 2:30 P.M.

Such measures are designed to give market participants a breather in an effort to avoid panic trading.

AP, Bloomberg, Reuters

INTERNATIONAL FUTURES

Feb. 5, 1998

High Low Lated Cgde Optd

Grains

CORN (CBOT) 271 271 271 271 271

Weds open 271 271 271 271 271

Est. sales 45,000 Wed's sales 45,771

Weds open 45,771 up 2,955

SOYBEAN MEAL (CBOT) 195.20 195.20 195.20 195.20 195.20

Weds open 195.20 195.20 195.20 195.20 195.20

Est. sales 2,000 Wed's sales 2,000

Weds open 2,000 up 1,000

SOYBEAN OIL (CBOT) 67.50 67.50 67.50 67.50 67.50

Weds open 67.50 67.50 67.50 67.50 67.50

Est. sales 4,000 Wed's sales 4,000

Weds open 4,000 up 1,000

WHEAT (CBOT) 195.20 195.20 195.20 195.20 195.20

Weds open 195.20 195.20 195.20 195.20 195.20

Est. sales 45,000 Wed's sales 45,771

Weds open 45,771 up 2,955

METALS

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Weds open 500.00 500.00 500.00 500.00 500.00

Est. sales 500.00 Wed's sales 500.00

Weds open 500.00 up 2,955

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Weds open 500.00 500.00 500.00 500.00 500.00

Est. sales 500.00 Wed's sales 500.00

Weds open 500.00 up 2,955

LIVESTOCK

CO CATTLE (COMEX) 40,000 lbs. -cent per lb. 40,000 40,000 40,000 40,000 40,000

Weds open 40,000 40,000 40,000 40,000 40,000

Est. sales 40,000 Wed's sales 40,000

Weds open 40,000 up 2,955

CO HOGS-LAMB (COMEX) 40,000 lbs. -cent per lb. 40,000 40,000 40,000 40,000 40,000

Weds open 40,000 40,000 40,000 40,000 40,000

Est. sales 40,000 Wed's sales 40,000

Weds open 40,000 up 2,955

CO PORK BELLES (COMEX) 40,000 lbs. -cent per lb. 40,000 40,000 40,000 40,000 40,000

Weds open 40,000 40,000 40,000 40,000 40,000

Est. sales 40,000 Wed's sales 40,000

Weds open 40,000 up 2,955

CO COFFEE (COMEX) 1,250 1,250 1,250 1,250 1,250

Weds open 1,250 1,250 1,250 1,250 1,250

Est. sales 1,250 Wed's sales 1,250

Weds open 1,250 up 2,955

CO COFFEE (COMEX) 1,250 1,250 1,250 1,250 1,250

Weds open 1,250 1,250 1,250 1,250 1,250

Est. sales 1,250 Wed's sales 1,250

Weds open 1,250 up 2,955

CO COFFEE (COMEX) 1,250 1,250 1,250 1,250 1,250

Stumbles Over Iraq

concerns that the company's memory and computer working systems may be built because of a slow down in sales. Mikron Technology fell 3.16 percent after Brown Brothers Harriman & Co. told investors it was stuck in the market for memory chips. Karmat rose 4.16 to 12.18 after a retailer reported strong sales in January. Reuter

NetScape Stock Rises Amid Talk of Merge

MOUNTAIN VIEW, Calif. — NetScape Communications Corp. stock rose 32.75 to 322.75 Thursday, after generalizing the opportunity for Internet market expansion with its computer software and a merger.

NetScape has been in talks with AOL Time Warner Inc., America Online and America Online people for a merger. The Internet company has lost market share to Microsoft, Kent Benson, an analyst at American Research Services, has a "buy" rating on America Online. NetScape is up 10.75, or 32.25 percent, compared with the market's 10.25 percent.

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Italian Aide Defends EMU Bid to Germans

Giampi Describes Financial Progress

Compiled by Our Staff From Dispatches

BONN — Treasury Minister Carlo Azeglio Ciampi of Italy on Thursday began two days of talks in Germany to promote Italy's bid to join the planned European monetary union.

The minister defended Rome's bid to whip its finances into shape for EMU, saying that Italy had won the battle against inflation and would continue to drive down its debt.

At a lunch with German members of Parliament, Mr. Ciampi said Italy's ratio of debt to gross domestic product probably fell below the government's target of 122.6 percent in 1997 and would fall three percentage points in a year, according to sources at the lunch.

The German finance minister, Theo Waigel, lauded Italy's progress in slashing its budget deficit. "I have said often how much I value Italy's efforts in the past years," Mr. Waigel said after a meeting with Mr. Ciampi.

Germany, Europe's most influential economy, still has not taken a position on whether it deems Italy fit to adopt Europe's single currency in 1999.

The German government is in the dilemma of wanting to see currency union come to fruition with as many participants as possible, yet knowing it has to win over a majority of German voters in September's parliamentary elections. The German public is afraid the inclusion of currencies like the lira, which is volatile, could weaken the euro, the projected European currency.

Mr. Ciampi will travel to Frankfurt on Friday to meet Wim Duisenberg, head of the European Monetary Institute, and the Bundesbank president, Hans Tietmeyer.

Ahead of the visit there has been widespread speculation that Germany would demand special assurances from Rome on its ability to meet its long-term budget goals and stay within the fiscal limits in the Maastricht treaty on EMU.

But in an interview with German Radio on Thursday, Mr. Ciampi denied a reporter's assertion that there was a group in the European Commission conspiring to keep Italy out.

"Absolutely not," he said. "In the commission there is a group of experts who are scrutinizing the

numbers very carefully. But there is no anti-Italian group."

Last month there were press reports that Finance Minister Gerrit Zalm of the Netherlands planned to step down if Italy was allowed in with the first wave of EMU participants in 1999.

The European Union will select participants in May, using fiscal data from 1997.

Italy has shown impressive progress, reducing its budget deficit to around 3 percent of gross domestic product in 1997, the level required by the Maastricht treaty, from 10 percent just five years ago.

But Germany and other EU members are concerned about its high level of debt, even though they appear convinced that Italy belongs in the first wave of EMU as it was a founding member of the European Community. (Reuters, Bloomberg)

Restructuring To Bring Loss, Opel Predicts

Reuters

FRANKFURT — Adam Opel AG, the German unit of General Motors Corp. said Thursday it would report a loss for 1997 of 150 million to 250 million Deutsche marks (\$85 million to \$140 million) because of costs related to a new early-retirement program.

Opel said costs associated with restructuring measures and a new job security agreement would require a charge against earnings of at least 465 million DM, wiping out a profit for the year slightly above the 1996 level of 314 million DM.

The deal calls for a guarantee against layoffs through the end of 2002 but will lead to cuts through attrition and start an early-retirement plan that will cut 4,000 jobs. In return, the carmaker's works council won nearly 1 billion DM worth of investment guarantees for Opel plants in Western Germany.

The sale is part of Preussag's transformation from an industrial conglomerate to a travel-oriented group.

Preussag also said its net profit rose 41 percent in the year to Sept. 30, to 397 million DM.

The company said its sales were up 26 percent in the first quarter of its current year, to 7.2 billion DM, slower than the 45 percent growth in the year-earlier quarter.

NTL Set to Acquire Comcast UK

U.S. Firm to Pay \$997 Million for British Cable Company

Bloomberg News

LONDON — NTL Inc. agreed Thursday to pay \$997 million in stock and assumed debt for Comcast UK Cable Partners, accelerating consolidation of the beleaguered British cable industry.

NTL, which is based in New York, will pay the equivalent of \$11.98 for each Comcast share, a 29.5 percent premium over the Wednesday closing price of \$9.25, to create the third-biggest British cable company.

Comcast UK shares, which are traded in the United States, rose \$1.25 in late trading to \$10.50.

Philadelphia-based Comcast rose 75 cents to \$31.125.

Britain's cable industry is consolidating and trying to cut costs because the British have not adopted cable TV as fast as North America. American companies had

rushed into Britain in the 1980s as deregulation allowed them to sell both telephone and TV services.

Most of those companies, including Nynex Corp., SBC Communications Inc. and Cox Communications Inc., have since reduced their interests to passive holdings.

"The question is whether or not this deal is the last in the cable consolidation," said Alan Lyons, a telecommunications analyst with ABN-AMRO Hoare Govett. "There are several other players you can envisage getting involved."

Shares in other British cable companies rose. General Cable PLC rose 18.5 pence, or 23 percent, to 99.5 pence, while Telewest Communications PLC rose 5 pence, or 6.5 percent, to 81.5 pence. NTL fell 62.50 cents to \$31.375 in late U.S. trading.

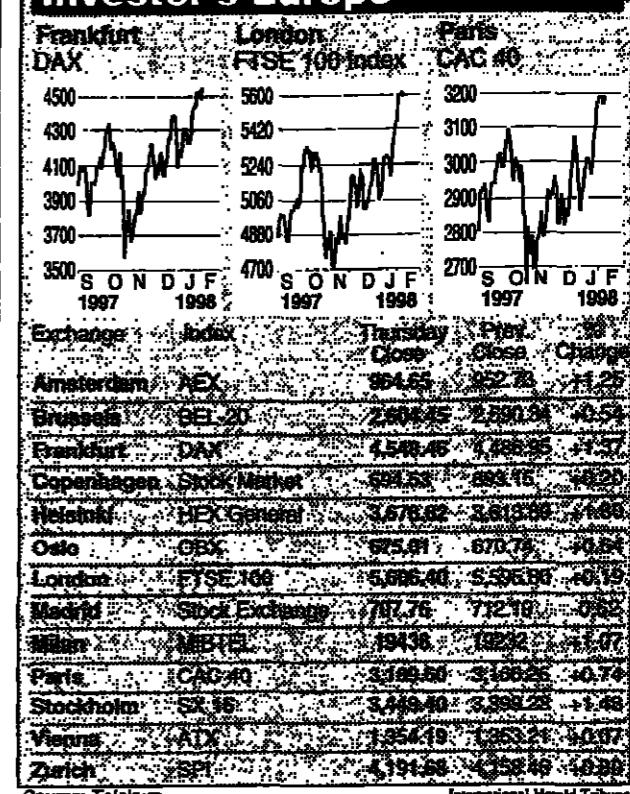
NTL's cable networks reach 2.2 million British homes, and Comcast reaches around 1 million. That makes them around half the size of the Britain's biggest cable company, Cable & Wireless Communications PLC, and puts them within range of second-biggest Telewest's 4.2 million homes.

NTL, which operates British cable networks in Wales and Northern Ireland and runs a British TV transmitter network, will assume Comcast UK's \$397 million in debt.

Comcast shareholders will pull out of the agreement if NTL's stock drops below \$26.70.

NTL's acquisition comes after U.S. West Media Group Inc. said it might increase its stake in Telewest by buying out 10 percent stakes held by SBC Communications and Cox Communications.

Investor's Europe



Source: Telekurs

International Herald Tribune

Very briefly:

• Fried Krupp AG Hoesch-Krupp's supervisory board approved the proposal to merge with Thyssen AG by a vote of 11 to 9. Thyssen's board approved the proposal, 11 to 10, last month.

• The Bundesbank left interest rates unchanged, as expected, amid fresh evidence that German economic growth remains moderate. The central bank left its floor discount rate at a historic low of 2.50 percent and its ceiling Lombard rate at 4.50 percent.

• Siemens AG expects to cooperate with Microsoft Corp. to use the American company's Windows CE software in telephones and other products.

• Paramount, Universal and MGM will not be allowed to distribute their films jointly in Europe, said Karel van Mier, the European Union antitrust chief. United International Pictures, the joint distribution arm of the three studios, said it "sharply" disputed the commissioner's views.

• France's Finance Ministry said Dominique Strauss-Kahn, the finance minister, would give the government's long-awaited approval of a takeover bid for the insurer AGF by Allianz of Germany.

• CNPF, which represents French industrialists, repeated its opposition to the government's bill to shorten the workweek but said "modifications" such as changing the bill's talk of an "obligation" for a shorter week into an "objective" might make it more palatable.

• Telefónica de España SA announced discount plans for its noncorporate customers. The company presented five discount plans for international and medium-distance calls, cutting prices by 10 percent to 60 percent.

• British Biotech PLC shares plunged after European regulators delayed approving a drug to treat pancreatitis, Zactex, wiping out a quarter of the company's value on the London stock market.

Bloomberg, Reuters

Strong Pound Hammers ICI Profit

Compiled by Our Staff From Dispatches

LONDON — Imperial Chemical Industries PLC said Thursday its pretax profit plunged 36 percent last year, to £385 million (\$637.8 million), because of a strong pound and the cost of restructuring.

ICI said the strong pound erased £190 million of profit last year, canceling out much of the effect of an increase in sales to £1.06 billion from £1.02 billion.

Charles Miller Smith, chief executive, said the company was aiming for double-digit margins and sales growth rates of 7 percent to 8 percent annually between now and 2002. He also said the company was seeking a

return on net asset value of at least 20 percent, underpinned by productivity and performance improvements.

ICI said the specialty businesses bought last year from Unilever PLC for £4.8 billion had already enhanced earnings and met the company's own expectations.

The group's paints business posted record profit of £160 million, up 17 percent excluding the impact of the exchange rate.

Alan Spall, the finance director, said news of progress on further divestitures could be expected in the first half of this year.

(Reuters, Bloomberg)

Preussag Sells Steel Unit in Shift to Tourism

Reuters

HANNOVER, Germany — Preussag AG said Thursday it had agreed to sell its steel unit for 1.06 billion Deutsche marks (\$588 million) to Norddeutsche Landesbank and the German state of Lower Saxony.

The sale is part of Preussag's

transformation from an industrial conglomerate to a travel-oriented group.

Preussag also said its net profit rose 41 percent in the year to Sept. 30, to 397 million DM.

The company said its sales were up 26 percent in the first quarter of its current year, to 7.2 billion DM, slower than the 45 percent growth in the year-earlier quarter.

Foreign sales reached a record 55 percent of total sales in 1996-97 compared with 48 percent the previous year. Preussag said the impact of the Asian financial crisis was "slight."

The company said the divestment of its steel activities would help the company focus on energy, technology, logistics and tourism.

The Trib Index

Jan. 1, 1992 = 100	Level	Prices as of 3:00 P.M. New York time	
		Change	% change
World Index	181.93	+0.82	+0.43
Regional Indexes			+5.71
Asia/Pacific	102.04	-0.03	-0.03
Europe	209.00	+1.75	+0.94
N. America	226.12	-0.38	-0.17
S. America	141.60	+0.30	+0.21
Industrial Indexes			-7.25
Capital goods	223.79	-0.42	-0.19
Consumer goods	223.68	-0.10	-0.04
Energy	191.62	+0.18	+0.97
Finance	133.50	+1.50	+1.14
Miscellaneous	150.64	+2.05	+1.38
Raw Materials	174.62	+0.90	+0.52
Services	184.36	+0.63	+0.34
Utilities	168.11	+0.05	+0.03

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 200 internationally investable stocks from 22 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92261 Neuilly Cedex, France. Compiled by Bloomberg News.

High Low Close Prev. High Low Close Prev. High Low Close Prev. High Low Close Prev.

Paris	CAC-40: 3119.92	Previous: 3119.92	Paris	CAC-40: 3119.92	Previous: 3119.92	Paris	CAC-40: 3119.92	Previous: 3119.92	Paris	CAC-40: 3119.92	Previous: 3119.92	Paris	CAC-40: 3119.92	Previous: 3119.92	
Acce	597	582	590	580	577	567	567	567	567	567	567	567	567	567	567
Ericsson B	256.00	253.00	253.00	253.00	250.00	247.00	247.00	247.00	247.00	247.00	247.00	247.00	247.00	247.00	247.00
Hennes B	359	354	353	353											

Seoul Vows to End Barriers to Foreign Investment

Compiled by Our Staff From Dispatchers

SEOUL — Finance Minister Lim Chang Yuel pledged Thursday to remove the last barriers to foreign investment in South Korea as the government said the country's external debt had started to shrink.

"We are preparing bills to scrap even the last remaining taxes to help attract direct foreign investment," Mr. Lim said, referring to taxes imposed on foreigners investing in South Korea. "We also plan to simplify procedures for foreigners seeking to buy land to set up facilities necessary for investment."

The minister also said that foreign funds were flowing "smoothly" into the country and were helping stabilize the foreign exchange market.

In January alone, foreign investors pumped in some \$950 million for portfolio investment, following an injection of \$338 million last December, he said.

But Michael Brown, president of the U.S. Chamber of Commerce, said that anti-foreign sentiment in Korea was still discouraging direct investment. He said that even though the numbers had risen, direct foreign investment in Korea still lagged such rivals as Malaysia, Singapore and China. He also said Korea should educate the public on the benefits of foreign investment.

"In reading local newspapers and meeting with Korean business men," Mr. Brown said, "one would think that the entire country is for sale or subject to hostile takeover by foreign parties."

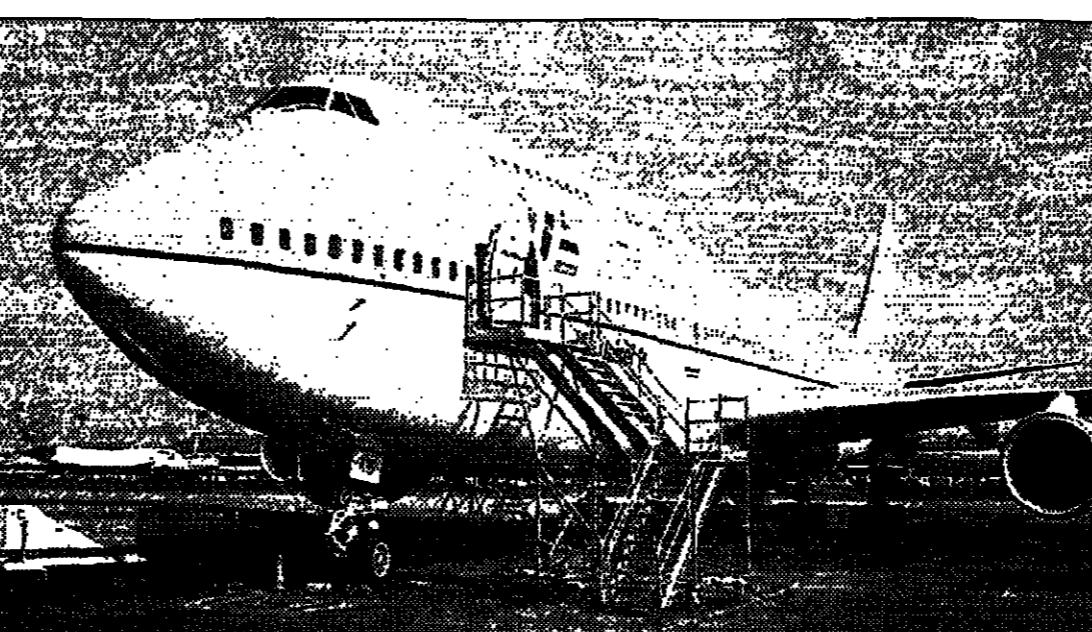
"While I believe that the prospects for incremental foreign direct investment are very good over the medium term," he added, "I think Korea's concerns of foreign domination in many industries are grossly exaggerated."

Mr. Brown said that even if stock ownership rules were thoroughly liberalized, he expected most new investments to be in the form of buying out local joint-venture partners.

Mr. Lim predicted that the improving economic conditions meant that South Korea would need only \$43.2 billion in additional rescue loans this year, instead of the earlier estimated \$68.2 billion.

South Korea secured an accord from international banks in New York last month to roll over \$24 billion of short-term debt, which constituted most of the banks' short-term debt due this year.

The Finance Ministry said Thursday that South Korea's total external liabilities had declined \$7.3 billion in December to reach \$154.4 billion at the start of the year.



A plane owned by Asiana, South Korea's second-largest air carrier, which has asked that the foreign-ownership limit of 20 percent be raised to 50 percent to help in weathering the crisis.

The long-term debt actually increased by \$13.1 billion to \$86 billion during the month thanks to inflows of rescue funds from the International Monetary Fund, the Asian Development Bank and the

World Bank, the ministry said.

But short-term debt fell \$20.4 billion to \$68.4 billion through repayment of short-term liabilities by financial institutions, it said.

The announcement marked the

first time that Seoul has put out the breakdown of its foreign debt following an agreement between the government and the IMF to publish total external liabilities every month. (AFP, Reuters)

Hong Kong Leads High-Priced List For Office Space

Compiled by Our Staff From Dispatchers

SINGAPORE — Hong Kong has overtaken Tokyo as the world's most expensive city to have an office in the prime business district, according to a report issued Thursday by the Singapore property firm Edmund Tie & Co.

Seven cities in Asia were among the top 10 most expensive, the survey showed. Office occupancy costs measure rents, property tax and maintenance.

The survey of 68 cities, taken in December, showed costs in Hong Kong averaged \$10.11 per square foot (\$108.78 a square meter) a month, well ahead of Tokyo. London's West End was second with an average cost of \$9.18 a square foot, the City of London financial district was third at \$8.69, and central Tokyo followed at \$8.64. (Bloomberg, Reuters)

Coca-Cola Amatil to Split Up on Regional Lines

By Constance L. Hays
New York Times Service

NEW YORK — Coca-Cola Co.'s second-largest bottler, Coca-Cola Amatil Ltd., will be broken into two parts, one based in Europe and the other in Australia, to better focus on regional business demands.

In addition, the new entities will acquire bottlers in Italy and South Korea for a total of \$1.4 billion in equity and cash, Coca-Cola announced Wednesday.

In its current form, Coca-Cola Amatil, based in Sydney, comprises sprawling empire that reaches from Austria to New Zealand.

Confirming the split-up, Coca-Cola Amatil also said Thursday its net profit rose 73 percent in 1997, to 242.2 million Australian dollars (\$163.4 million), as sales increased 31 percent, to 4.83 billion dollars, *Agence France-Presse* reported from Sydney. But the company warned that Asian currency turmoil would have an "adverse impact" on its

Australian dollar earnings for 1998. Dividing Coca-Cola Amatil into two parts should help results, analysts said. The company's stock has fallen sharply on the Australian market because of concerns over the Asian economic picture.

"There was a lot on their plate there," Jennifer Solomon of Salomon Brothers Inc. said. "It's hard to watch Kien from Sydney." The move raises to 10 from nine the number of "ancient bottlers" — publicly traded companies in which Coca-Cola retains a large stake. John Sicker, publisher of Beverage Digest, said the split-up was intended to improve focus and efficiency. "Amatil became too geographically far-flung to manage," he said.

Neville Isdell, the head of Coca-Cola Europe who resigned from the Amatil board several weeks ago and who has long been considered a leading candidate to become president of Coca-Cola, becomes the chief executive of the new European bottler, to be called Coca-Cola

Beverages and based in Vienna. The former chief executive of Coca-Cola Amatil, Norb Cole, will leave the company. David Kennedy, the head of Coca-Cola's U.S. foun-

tain business, which sells concentrate to restaurants and other concessions, will run Coca-Cola Amatil, as the Asian business will continue to be known.

U.S. TV Lifts News Corp.

Compiled by Our Staff From Dispatchers

SYDNEY — News Corp. said Thursday that strong revenue from U.S. television operations helped lift its net profit to 895 million Australian dollars (\$615 million) in the six months ended Dec. 31 from 690 million dollars a year earlier.

The media and entertainment company controlled by Rupert Murdoch said sales rose to 8.94 billion dollars from 7.06 billion dollars.

The results, for the first half of the company's financial year, were underpinned by a more than doubling of operating income

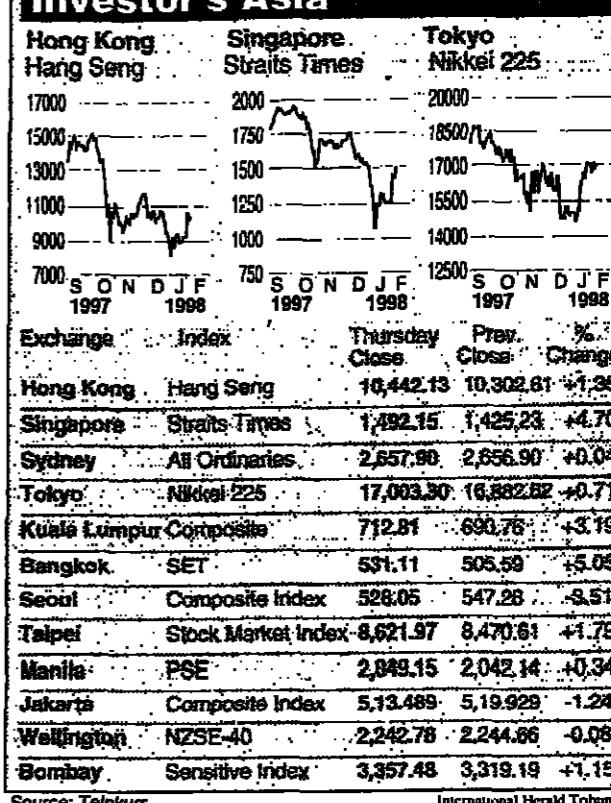
from television operations, largely from the U.S.-based Fox Television Station Group.

But News Corp. said operating income at its Filmed Entertainment unit fell to 144 million dollars from 202 million dollars a year earlier.

The media and entertainment company controlled by Rupert Murdoch said sales rose to 8.94 billion dollars from 7.06 billion dollars.

The results, for the first half of the company's financial year, were underpinned by a more than doubling of operating income

Investor's Asia



International Herald Tribune

Very briefly:

• Bankers Trust Co. of the United States is preparing to scale back its operations in the Asia-Pacific region, but the overhaul is not likely result in "radical" resource cuts or job losses, a source close to the company said. The company employs about 1,500 people in the region.

• PT Ciputra Development, one of Indonesia's largest housing and office developers, halted payment on about \$250 million in debt because of the country's currency turmoil.

• Japan's Liberal Democratic Party is considering creating a fund to purchase real-estate loans repackaged into securities. The planned fund would be financed by financial institutions without government subsidies. Meanwhile, Kiichi Miyazawa, a former prime minister, said a "bold" tax cut through changes in the tax system should be considered as the Japanese economy languished, Kyodo news agency reported.

• Japanese police arrested a corporate extortionist for allegedly receiving 27 million yen (\$218,500) from Mitsubishi Electric Corp. and Mitsubishi Estate Co., companies that were named in a different payoff scandal three months ago.

• Hitachi Ltd. and Mitsubishi Electric Corp. will postpone a joint project with Texas Instruments Inc. of the United States to develop next-generation dynamic random-access memory chips, citing falling chip prices and profits.

• The Thailand Rice Exporters' Association said a delivery of 100,000 metric tons of rice to Indonesia was being held up by Indonesia's inability to obtain letters of credit from banks. The order, valued at about \$25 million, is equal to about 10 percent of Indonesia's rice imports last year and about 2 percent of Thailand's 1997 rice exports.

• Commerce Asset-Holding Bhd. of Malaysia received central bank permission to start talks on a merger with RHB Bank Bhd. that would create one of the country's largest banks.

• Sri Lanka's tea workers went on strike to press plantation owners for higher wages in a dispute that may further drive up the price of tea, which is already near an all-time high.

Bloomberg, Reuters, AFP, AFX

WorldCom Tries to Enter Japan Phone Market

Compiled by Our Staff From Dispatchers

LONDON — A World Trade Organization pact to open telephone services went into effect Thursday, and WorldCom Inc. immediately took advantage of the deal by saying it had applied for a license to sell phone service in Japan.

WorldCom said it planned to lay its own fiber-optic cable network in Tokyo and spread it to other regions if they were believed to be profitable.

"We know this is the right strategy, the right approach, the right market and the right time," said Steve Liddell, president of WorldCom Asian Pacific Ltd.

British Telecommunications PLC said Thursday that it also would seek a license to offer service in Japan.

The WTO pact that took effect Thursday was finalized about a year ago.

The licenses WorldCom has applied for and which BT said it would seek in the next few weeks would allow the companies to build telephone lines, switches and other systems in Japan as well as resell services over phone lines leased from Japanese companies.

WorldCom, which recently agreed to buy MCI Communications Corp. after a protracted battle with BT, plans to target international users initially. But Mr. Liddell said that "in a market that's not benefited from competition, there can be no huge local interest."

If WorldCom is successful in attaining the license it seeks, Nippon Telegraph & Telephone, which controls 99.9

(Reuters, Bloomberg)

percent of the Japanese market, will face its first real competition.

Mr. Liddell declined to comment on the details of WorldCom's plans or investments, but he said the company could begin offering services, mostly to financial organizations and Internet access providers, by the end of the calendar year.

BT's move would put it into direct competition for international phone service with Nippon Telegraph & Telephone, with which it is a potential partnership.

As part of the WTO agreement, Japan refused to allow foreign investors to own more than 20 percent of Kokusai or NTT.

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NASDAQ

Thursday's 4 P.M.

Thursday's 4 P.M.
The 1,000 most traded National Market securities
In terms of dollar value, updated twice a year.

The Associated Press

NYSE

Thursday's 4 P.M. Close
(Continued)

(Continued)

WORLD ROUNDUP

Players Warn NFL

FOOTBALL The National Football League players union has informed the league that it is prepared to allow their labor agreement to expire after the 2000 season and not extend the deal through 2002, as the sides had been negotiating.

Gene Upshaw, president of the NFL Players Association, said the players were not prepared to make any more concessions to the owners and would not extend the salary cap through the life of the league's new \$17.6 million television deal "unless they're willing to give us something in exchange." (WP)

• Roger Headrick, the Minnesota Vikings president, matched author Tom Clancy's bid for the team, setting up a potential legal battle. Headrick, one of the club's 10 current owners, said his offer equals Clancy's NFL record bid of slightly more than \$200 million that the owners accepted Tuesday. (AP)

Martin Describes his Pain

GOLF Casey Martin broke down in tears as he testified in court in Oregon on Wednesday about the intense pain he feels when he walks the golf course. He said he doesn't believe riding a cart would give him an advantage over other players.

Martin, who has a rare circulatory disorder in his right leg, has invoked the Americans with Disabilities Act in his lawsuit against the PGA Tour, which says he must walk to play in its events. (AP)

No Charges for Kluivert

SOCCER An Amsterdam court has decided not to proceed with rape charges against Patrick Kluivert, a center forward for the Netherlands and AC Milan, and three of his friends, a court spokeswoman said Thursday. Dutch media said the court had dismissed the case because of lack of evidence, but the spokeswoman declined to give details of the court's ruling. (Reuters)

Canseco Joins Blue Jays

BASEBALL Jose Canseco agreed to a one-year contract with the Toronto Blue Jays for \$750,000, with \$2.25 million in bonuses. Canseco, 33, an outfielder and designated hitter, made \$4.725 million last season with Oakland. He hit .235 with 23 homers and batted in 74 runs. Shortstop Alex Gonzalez agreed to a \$1.4975 million one-year contract with Toronto. (AP)

Kenyan Team Trades Track for Skiing Trail

The Associated Press

NAGANO, Japan — The two-man Kenyan cross-country ski team — the African nation's first Winter Olympics entry — hit Nagano on Thursday like visiting rock stars. They signed autographs and posed for pictures, smiling broadly.

"Oh no, we don't have snow in Kenya," said Philip Boit, a former runner who swapped his sneakers for cross-country skis. He said that he first saw snow only two years ago.

Boit and Henry Bitok were runners until 1995, when their coach, Mike Kosgei, wondered if their running skills might translate into cross-country skiing success.

The runners were intrigued, and received their first taste of skiing in a training trip to Finland in February 1996. Two years later, Boit is competing in the Olympics and Bitok is his back-up.

"This is the beginning," said Charles Mukora, chairman of the Kenyan Olympic Committee. "From now on, you'll see lots of Kenyans in

skiing. And we hope, someday, somebody will be in Kenya for skating and hockey."

Boit's best time is 10 minutes behind of the world's fastest cross-country skier, Bjorn Daehlie of Norway.

While the Kenyans' odd quest quickly grabbed attention in Nagano, their effort is not entirely an exercise in national pride. They are sponsored by a major sneaker company; the Kenyan team's press attache is a sneaker company employee who has never been to Kenya.

Asked if he was getting more financial support from the Kenyan government or the shoe company, Boit smiled. "There are some questions," he said, "to which I have to say no."

■ IOC Elects 2 Princes

Nine new members were voted onto the International Olympic Committee on Thursday including two more princes, the Prince of Orange of the Netherlands and Prince Henri of Luxembourg.



Henry Bitok, left, and Philip Boit enjoying celebrity.

"I don't think that we are especially well-stocked with members of royalty," said Francois Carrard, director-general of the IOC. "We have a rather large complement of regular people. But I don't see why someone should be barred from membership just because they have a title."

Of 118 members of the IOC, seven are official members of royal families, not counting Prince Albert of Monaco, whose family rules only a principality. They are Princess Anne of Britain, Prince Faisal Fahd Abdulaziz of Saudi Arabia, Sheikh Ahmad al Fahad al Sabah of

Kuwait, Princess Nora of Liechtenstein, and Infanta Pilar de Borbon, the sister of the King of Spain.

The seven other new members included two women: Irene Sewinska, winner of seven Olympic medals including a gold in the long jump in 1976, and Nawal Moutawakel Bennici of Morocco, also a gold medal Olympian in 1984. This brings the number of female members to 14.

The committee is losing one of its royal members, Grand Duke Jean of Luxembourg, a member of the IOC since 1946. (NYT)

SCOREBOARD

BASKETBALL

EUROLEAGUE

GROUP E

Olympiakos, Greece 62, Partizan 54

AEK Athens 65, Hapoel Jerusalem 51

MAJOR COLLEGE SCORES

EASTERN CONFERENCE

ATLANTIC DIVISION

Dallas 29, Iowa St. 62

Kentucky 63, Boston 61

St. John's 61, Connecticut 72

Michigan St. 64, Ohio St. 58

NBA STANDINGS

CENTRAL DIVISION

Indiana 33, 13, .717

Chicago 34, 14, .694

Charlotte 30, 15, .659

Cleveland 27, 19, .597

Atlanta 28, 20, .586

Milwaukee 24, 22, .552

Boston 22, 25, .468

Orlando 22, 25, .466

Philadelphia 14, 31, .311

Toronto 10, 34, .217

WESTERN DIVISION

San Antonio 34, 14, .708

Utah 21, 20, .549

Minnesota 26, 20, .546

Houston 22, 23, .489

Vancouver 13, 35, .271

WEDNESDAY RESULTS

PACIFIC DIVISION

Seattle 27, 10, .807

Portland 24, 11, .756

Phoenix 31, 14, .659

Portland 26, 20, .562

San Antonio 27, 19, .521

Golden State 11, 37, .229

Golden State 11, 37, .229

Seattle 8, 37, .174

Portland 28, 37, .174

Phoenix 29, 37, .174

Portland 30, 37, .174

Seattle 31, 37, .174

Portland 32, 37, .174

Golden State 33, 37, .174

Seattle 34, 37, .174

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Portland 101, 37, .174

Stars Beat Flyers as Turek Gets A Shutout

The Associated Press

Roman Turek replaced the injured Ed Belfour in the Dallas goal but it made little difference to the Stars, who beat the Philadelphia Flyers, 1-0.

Turek, who is 27 but playing his first full National Hockey League season,

NHL ROUNDUP

stopped 26 shots for his first career shutout as the Stars, who top the NHL standings, beat last season's losing Stanley Cup finalists. Turek started because Belfour, who has seven shutouts this season, has a sore back.

Turek won for the eighth time this season to extend the Flyers' losing streak to four — their longest since March 26-31, 1994.

Islanders 4, Canadiens 2 Bryan Smolinski broke a tie at 10:48 of the third period as New York extended its unbeaten streak to five games.

Devils 2, Senators 0 Martin Brodeur made 19 saves behind a tough New Jersey defense as the Devils shut out the Senators for the second time in three days.

Lightning 3, Hurricanes 3 Tampa Bay's club-record 13-game losing streak ended, but the Lightning blew a two-goal lead and had to settle for a tie at Carolina.

Maple Leafs 3, Blues 2 Fredrik Modin scored the winning goal with 6:25 left in the third period as Toronto ended a four-game losing streak with a victory over visiting St. Louis.

Penguins 2, Capitals 2 Andrew Brunette scored with 5:51 left in the third period as visiting Washington tied Pittsburgh, thanks to a 34-save effort by Olaf Kolzig.

Bruins 2, Sabres 2 Michael Peca scored off a rebound with 1:20 left in regulation as Buffalo extended its unbeaten streak to seven games with a victory over visiting Boston.

Sharks 3, Oilers 0 Mike Vernon made 21 saves for his fourth shutout of the season as San Jose won at Edmonton.

Mighty Ducks 3, Rangers 2 Teemu Selanne increased his league-leading goal total to 41 with his second consecutive two-goal game. He also had an assist as Anaheim beat New York.

Rule Changes Backed

NHL general managers have backed seven rule changes — including the elimination of the red line at center ice — to speed games and create more scoring. The Washington Post reported.

The general managers cannot implement changes, only recommend them to team owners, who will meet in June. In addition, the league will examine three areas after the Olympic break: goaltenders' equipment, a second referee and obstruction infractions.

Six changes will be tested in the minor leagues this season to see if they should be recommended: Moving the net out another one to three feet (30 to 90 centimeters); Not allowing the goalie to handle the puck behind the net; hurry-up faceoffs; banning line changes in the neutral zone; not allowing the puck carrier to stop behind his own net; requiring players who commit minor penalties to serve the full two minutes.

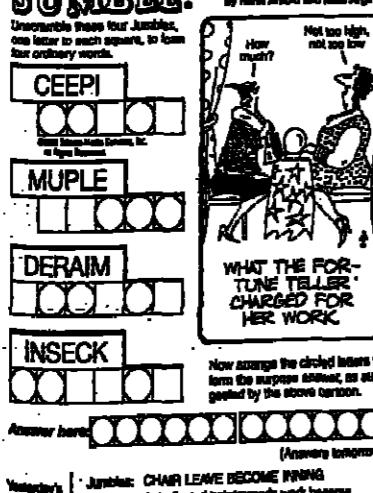
DENNIS THE MENACE



PEANUTS



JUMBLE



GARFIELD



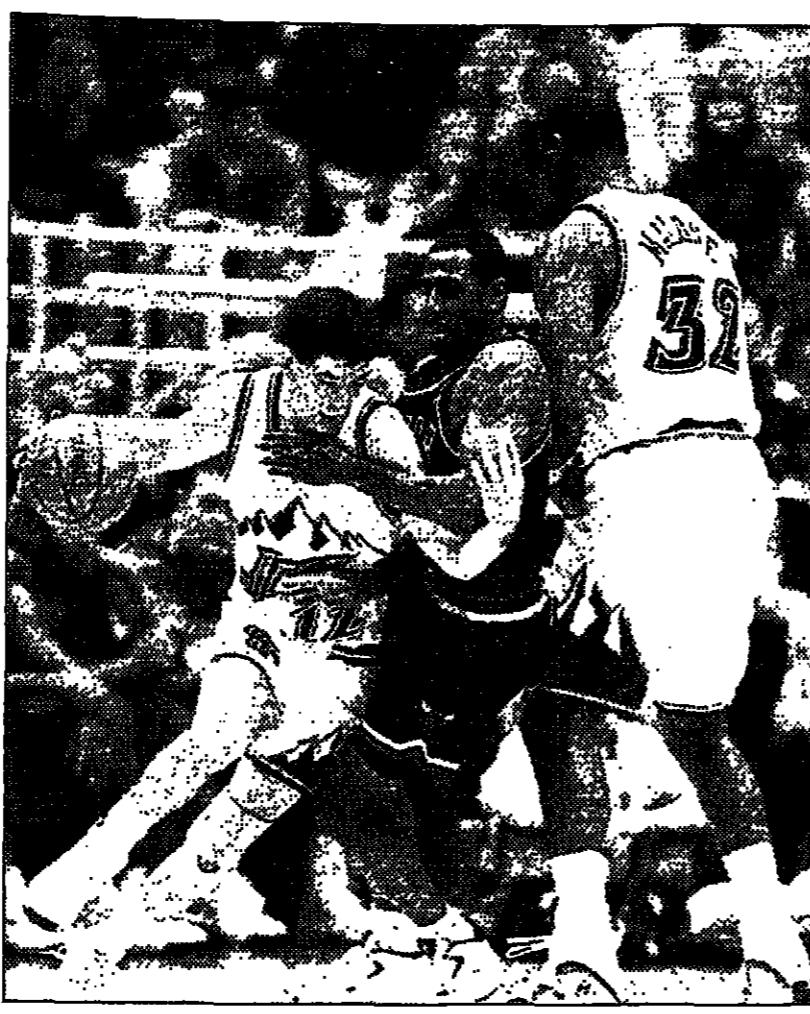
BEETLE BAILEY



BLONDIE



SPORTS



Two Utah Jazz veterans, John Stockton, with the ball, and Karl Malone, right, catching Randy Brown of the Chicago Bulls in a classic pick.

Jazz Sweep the Bulls; SuperSonics March On

The Associated Press

The NBA championship was not on the line this time. Still, the Utah Jazz took great satisfaction in sweeping the Chicago Bulls.

The Jazz, who lost a six-game series to the Bulls in last year's NBA Finals,

NBA ROUNDUP

completed a two-game, regular-season sweep of Chicago with a 101-93 victory Wednesday night.

"We've been very ready to play these guys this year," said John Stockton, who had 17 points and 18 assists for the Jazz.

Karl Malone scored 30 points for Utah, which overcame a 24-point first-half deficit to become the first team to sweep a season series from the Bulls in three years. The Jazz won their first meeting, 101-94, in Chicago on Jan. 25.

Michael Jordan led the Bulls with 40 points, but he didn't get much support. Ron Harper, who scored 14, was the only other Chicago player in double figures.

After the game, Jordan repeated his position that he would not play for the Bulls next year unless Phil Jackson returned as coach. Since Chicago's general manager, Jerry Krause, made it clear Wednesday that Jackson would not be back and since Jordan does not want to play for another team, it appeared that this would be Jordan's last season.

"If Phil is out, then this is my last year," Jordan said. "I won't play. I'll retire. It is that simple."

SuperSonics 104, Pacers 97 In Seattle, Vin Baker tied his career high with 41 points as the Sonics snapped Indiana's seven-game winning streak. The Sonics improved their NBA-best record to 37-10. The Pacers have the best record in the East at 33-13.

Carlesimo Testifies

P.J. Carlesimo, the Golden State Warriors' coach, testified for seven hours Wednesday in the hearings over the suspension from basketball of Latrell Sprewell, the former Golden State player. The Associated Press reported from New York. Sprewell was suspended after attacking Carlesimo during practice on Dec. 1. The coach's testimony was the longest of any of the 18 witnesses who have been questioned.

PEANUTS

I'M GLAD TO SEE YOU'RE WALKING A LOT. IF YOU FLY TOO MUCH, YOU'LL WEAR OUT YOUR WINGS.

THAT'S WHY DOGS DON'T HAVE WINGS. OUR ANCESTORS WORE THEM OUT.

NO, YOU CAN BELIEVE SOME THINGS I TELL YOU...

HEY! HEY KID, WHAT ARE YOU DOING?

WELL, I'M GOING THROUGH YOUR LUGGAGE. WHAT'S IT LOOK LIKE I'M DOING?

WELL, I'M GOING THROUGH YOUR LUGGAGE. WHAT'S IT LOOK LIKE I'M DOING?

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WELL, I'M GOING THROUGH YOUR LUGGAGE. WHAT'S IT LOOK LIKE I'M DOING?

Memories of Manchester's Babes

Crash in 1958 Destroyed a Team, Created a Legend, and Left a Debt

By Rob Hughes
International Herald Tribune

LONDON — The police witness expertly described the scene after a terrible event that 40 years ago destroyed, yet made, Manchester United.

"When they brought them home," said Constable Tom Potter, "the streets were crowded but there was hardly a sound. All you heard were the wheels on the road, and grown men crying. The coffins were taken into a small gymnasium used as a chapel of rest, and two of us were locked inside the stadium for what was a long night."

The policeman never got over his vigil over the remains of the Manchester United players who, with team officials and sportswriters, perished in a twin-engined British European Airways plane that crashed on its third attempt to take off at 10:45 a.m. on Feb. 6, 1958, at Munich airport. The charter flight had stopped to refuel on the way home from United's successful European Cup quarter final against Red Star in Belgrade.

Mr. Potter spoke this week on a Granada TV reconstruction of the day the "Busby Babes," United's emerging young team, was destroyed.

"We couldn't wait to go home in the morning and forget it," he recalled. "But I could never forget. All night long, I smelled the fresh vanish of those coffins, and to this day, that smell brings it back."

Millions remember where they were when, at 3:06 on the afternoon of Feb. 6, 1958, arguably the finest, most glamorous team in the world went down. Today there are Manchester United supporter clubs in 157 countries. The parent club is an institution, a financial giant worth \$650 million, again with rising, youthful, trendy players.

Many people ask how United came to transcend language and culture around the globe. Torino never truly recovered after its greatest team was in a plane that hit a mountain in 1949, killing 18 players.

The answer might start with television. In 1949 it hardly existed, by 1958 it could transmit grainy images from Munich,

images of heroic survival and compassionate care in the casualty ward where Matt Busby, the father of this team, and such players as Bobby Charlton were nursed back to competitive living. Above all, there was the indomitable Busby who rebuilt a team to conquer Europe a decade later, just as postwar he raised United out of the rubble of a bombed Old Trafford Stadium.

When the policeman, the survivors, the widows, the children, gather at Manchester Cathedral in remembrance on Friday, the spirit of the late Sir Matt will be with them. I, for one, will never forget his words: "Before that terrible day, I could see 10 years ahead, 10 years at the top with nothing to stop us," he said. "After it, I had two choices. I could either lie down and hide, or pick myself up and accept the challenge."

Before he could pick up those threads, Busby had watched Duncan Edwards, the player he was convinced would mature into the most powerful in world sport, slowly surrender to his wounds. For 15 days, Edwards battled, calling out to ask the kickoff time of the next match against the Wolverhampton Wanderers. When, finally, he died, Edwards joined the seven lost in the wreckage — Geoff Bent, Roger Byrne, Eddie Coleman, Mark Jones, David Pegg, Tommy Taylor and Billy Whelan.

They, and others who returned diminished or never able to perform again, were young gods, but not like today's instant heroes. Where David Beckham, a player of marvelous potential, is a model Mancunian millionaire — betrothed to a Spice Girl and earning \$30,000 a game, plus a million dollar Adidas endorsement — some survivors of Munich are sick and need it. During their aborted stardom the top weekly wage for soccer players was £15 (about \$40 at the time).

Those survivors had something the modern players will never experience: a unity shared with fans of similar means and lifestyle. They were "ordinary," yet they built a legacy from which the club and its new generation grow almost obscenely rich.

There will be a minute's silence at Old Trafford before Saturday's game against Bolton Wanderers. Wreaths will be laid on the center circle. Later this month, there will be a testimonial match that will fill the stadium to its 55,000-seat capacity. Eric Cantona, who left the club a year ago, will come back to play in that. Eric is still some kind of a hero, though the boys in red have not missed his flair on the field this season.

HARRY Gregg, who with a true goalkeeper's bravery went back into the wreckage to rescue a baby, then to pull out her mother, the wife of a Yugoslav attaché given a lift to London, will also return with his memories of that day.

"Looking back," he muses, "we should never have got on that plane three times. But it takes a very brave man to be a coward." United fought BEA's insurers for compensation for "loss of players, loss of potential transfer fees, loss of gate money, loss of prestige." The club received £35,000, less than the price of Beckham's recently flaunted engagement ring.

If he and his teammates think deeply, they may realize that the standards of this mighty club, as well as the global affection it attracts, were created by the class of '58. Some of those died, some are silently struggling against disabilities and lack of a decent pension. The debt owed to those men, and to the bereaved, could be met by United donating into a trust fund the proceeds of a single game a year — or the starlets of today giving a thousand dollars, small change to them, off their weekly salary.

While the club capitalizes on the feelings so many have toward it, those who suffered for their association with the legend have all been laid to rest. "You know, I never told Duncan he was great," said the mother of Duncan Edwards on the TV documentary, "but he was. I never told him I loved him, but I did."

So, Mrs. Edwards, did whole generations of soccer watchers.

Rob Hughes is on the staff of The Times of London.

Korean Leader Questions Building Stadiums

Compiled by Our Staff From Dispatchers

SEOUL — Kim Da Jung, the president-elect of South Korea, called Thursday for a review of plans to build stadiums for the 2002 World Cup in view of the country's economic crisis.

"Do we actually need to invest billions of won to build 10 stadiums while our economy is in trouble under the International Monetary Fund program?" an official of Mr. Kim's transition committee quoted the president-elect as asking the committee.

South Korea is the co-host for the finals in 2002, along with Japan. The 10 Korean cities due to stage matches are Seoul, Pusan, Daegu, Kwangju, Ulsan, Taejon, Inchon, Suwon, Chonju and Seogwipo.

"It will cost an enormous amount of money to administer the facilities after the event," Mr. Kim said.

Mr. Kim has ordered the committee to study ways to use existing facilities instead of building new ones.

Choi Chang Shin, secretary-general of the Korean World Cup Organizing Committee, said an estimated 2 trillion won (\$1.25 billion) would be needed to build the stadiums.

"We fully understand the economic

situation that the country faces, and we have studied the best way to cut cost and to maximize effectiveness," he said.

"We have no alternatives but to build new ones to meet the requirements set by FIFA," an official at Chonju's City

WORLD SOCCER

Hall said. He said the existing facility there had only 28,000 seats, while the soccer federation's requirements said it should have 40,000.

"I believe Kim's concerns are about a new stadium in Seoul," he added.

South Korea had planned to spend an estimated 240 billion won to build a stadium in Seoul for the opening ceremony of the World Cup.

"Japan is investing a lot of money to build a state-of-the-art stadium for the World Cup final," Mr. Choi said. "Why should we hold the opening event in a modified stadium? It will hurt our national pride."

ENGLAND Jürgen Klinsmann, the German international forward, was knocked out and broke his jaw as Tottenham Hotspur lost, 3-1, to Barnsley in an English FA Cup replay Wednesday.

Klinsmann, the captain of the Ger-

man national team, visited a specialist Thursday. He will be out of action for at least a month.

In Newcastle, Alan Shearer scored twice with headers as Newcastle United of the Premier League beat the semi-professional Stevenage Borough, 2-1, in a replay. Shearer, playing his first home game of the season after an injury, scored in the 16th minute on a disputed goal that may not have crossed the line and got another goal early in the second half.

GOLD CUP In Oakland, California, Mexico gained its first victory under coach Manuel Lapuente as it beat Trinidad and Tobago, 4-2, in the Concacaf tournament.

Mexico played Honduras on Saturday in the final Group B match and can qualify for the semifinals with a draw.

In the first match of the doubleheader, Paulo Wanchope scored four goals as Costa Rica beat Cuba, 7-2, in Group 3. Costa Rica now can reach the semifinals by drawing with the United States in the final group match Saturday.

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POSTCARD

The Windsor Party

By William L. Hamilton
New York Times Service

NEW YORK — Sotheby's New York is playing house. For a preview exhibition for the nine-day sale of the collection of the Duke and Duchess of Windsor, which begins Feb. 19, Sotheby's has created seven decorated room settings, closely modeled on the salon, dining room, library, bedroom suite and entrance hall of the Windsors' Louis XVI-style residence on the Bois de Boulogne in Paris. The rooms will open to the public on Tuesday and remain on view through the sale.

The rooms provide an unusually personal context for the more than 3,000 lots — which include furniture, accessories, art and clothing.

The interiors will occupy both of Sotheby's display floors. "Because each setting basically covers one room in the original house, we are setting the preview up along the same lines," said Matthew Weigman, a senior vice president.

Sotheby's worked with Ralph Appelbaum Associates, the SoHo design firm that created the exhibition for the Jacqueline Kennedy Onassis sale in April 1996, to

Schoenberg Archive

Reuters

VIENNA — The unpacking of 60,000 objects and manuscripts belonging to the estate of Arnold Schoenberg began Thursday. The Schoenberg archive, transferred from the Arnold Schoenberg Institute in Los Angeles to the composer's birthplace, will be housed in a new Arnold Schoenberg Center, scheduled to open in March.



THE LADY AND THE CAMEL — Kathleen Elms racing her camel in Woodend, Australia, where efforts are being made to recruit female camel jockeys.

put the Windsors' 40,000 objects on display.

"We went to the house in Paris and photographed it before it was taken apart," Appelbaum said.

Walls have been suggested by hanging theatrical scrims printed with photographs of walls of the actual house and scenes of the Windsors at home.

Several people, like the interior designer Mark Hampton, who wrote a chapter on the Windsors' decorator, Stephane Boudin, for his 1992 book "Legendary Decorators of the 20th Century," were consulted for advice on the rooms. C. Z. Guest, a friend and frequent visitor to the Windsors' house in Palm Beach, Florida, advised Sotheby's on the setting of the dining table.

□

The seven rooms, which include the duke and duchess's private suites, will also unfold as a narrative of the Windsors' story.

Joe Friedman, a senior director of Sotheby's in London, who helped catalogue the contents of the Windsors' villa when it was purchased by Mohamed al Fayed, advised on the re-creation.

The duke's Paris bedroom suite, Friedman said, is English to the core in its furnishings, the retreat of a man who lived in the past, surrounded by court souvenirs and memories of childhood.

This will not be the first time the Windsors' residence has been re-created. The sale, originally scheduled for September of last year, was canceled the day before its preview began because of the death of al Fayed's son, Dodi, in the car accident that also killed Diana, Princess of Wales.

Too often, in other words, architecture has

In Basel, Art Triumphs Over Architecture

By Michael Kimmelman
New York Times Service

BASEL, Switzerland — What is the most satisfying new art museum building? I haven't seen I.M. Pei's Miho Museum of Art near Kyoto, Japan, but one could argue that the answer is neither Frank Gehry's Guggenheim in Bilbao, Spain, nor Richard Meier's Getty in Los Angeles but the less ballyhooed Fondation Beyeler here.

Comparing this modest-size building, which Renzo Piano has designed, with big projects like the Guggenheim Bilbao or the Getty is tricky and imprecise. The Beyeler, which opened in October, might fit into one of the galleries Gehry created in Bilbao. The Guggenheim, brilliant in its way, is clearly more spectacular. But what makes Piano's museum special is precisely that it is NOT spectacular, or at least it is not meant to be a spectacle. It consists of 20 spare white rooms of an almost ethereal simplicity, arranged within a long rectangular shed or pavilion.

For once, the architecture of a museum is in the service of the art. Of course, architecture people and art people tend to see such things differently. To understand the full significance of the building, it helps to remember how much museum construction in the last 40 years, roughly since Frank Lloyd Wright's Guggenheim opened in New York City, has tended in the opposite direction from the Beyeler.

Wright's landmark, openly hostile to much of the art it was built to display, continues to attract millions of tourists regardless of the art on view, a fact that has not gone unnoticed by museum officials elsewhere, who dream of their own Guggenheims. They say signature buildings will entice visitors and patrons who will contribute money and art to improve the collections.

The reality has often been that patrons give money for new buildings or to add wings to existing buildings because they can chisel their names onto them. The art comes later, if at all. Meier's High Museum of Art in Atlanta is an example. An explicit homage to Wright's Guggenheim, it caused the desired stir in architectural circles when it opened in 1983 but has been a poor place in which to see art. And despite the efforts of its director and curators, the trustees still haven't added a great deal of art worth seeing to the collection.

Too often, in other words, architecture has



The new art-friendly museum of the Fondation Beyeler in Basel.

come to precede art and sometimes even to replace it as an attraction. Add to this the fashionable opinion (fashionable among architects) that museum architecture shouldn't be a neutral backdrop, that because art is about risk and experimentation, the space it inhabits should be risky too.

One result is Peter Eisenman's Wexner Center for the Arts on the campus of Ohio State University in Columbus, a fascinating architectural idea, a catastrophe in practical terms because of its wilfully eccentric galleries.

The Fondation Beyeler is a response to this trend. No more exquisite museum of modern art has come into existence since the Menil Collection opened in Houston in 1987, a building also designed by Piano. He is, of course, known for vast, venturesome projects that stretch the limits of technology and often

come to a famous example. But he has also designed spaces for art that are spare modernist cubes in which the lighting, heating elements and other possible intrusions on the geometry of the rooms are mostly made invisible; discretion is their technological feat.

This building is partly modeled after the Menil, with results even more elegant. Tucked into the leafy suburb of Riehen, a trolley ride from the center of the city, the museum houses the collection of Ernst Beyeler, the Swiss art dealer, and his wife, Hildy. Only about 150 works are on view: a highly refined group of paintings, sculptures and drawings by Degas, Cezanne, Picasso, Matisse, Mondrian, Leger, Giacometti. The list goes on.

Born in Basel in 1921, Beyeler began work in a secondhand bookstore and print shop. He mounted his first show, of Japanese woodcuts, in 1947. Now he is Europe's

preeminent dealer in modern art. About 10 years ago he and his wife got the idea to create a museum of their collection. They found a graceful spot in a park in Riehen, made an arrangement with the city and under the auspices of the foundation paid roughly \$40 million to realize Piano's plan.

I suspect that if you polled museum directors and curators, who spend so much of their time planning blockbuster exhibitions and lobbying for ever-bigger museum buildings, the majority would say their favorite museums are intimate, out-of-the-way places like this one. Partly it's a natural, contrarian response ("Sure, Taillevent is a great Paris restaurant but there's this little neighborhood bistro in the 20th arrondissement . . ."). But it's also that small museums are more manageable than the Louvre or the Metropolitan, and quirier, less predictable.

The Beyeler's have been collecting African and Oceanic sculpture, and in the museum they have juxtaposed Fang reliquary figures, for example, with paintings by Rousseau and Miro and Klee to suggest formal kinships across cultures. This sort of idiosyncratic presentation, a throwback to pre-war displays that linked modern with so-called primitive art, gives the Fondation Beyeler a distinct character.

The general feeling is also of openness and simplicity. Glass walls provide occasional views of the park, with a long glass-enclosed veranda facing a field that stretches to Germany.

Even the museum's below-ground gallery, a notoriously difficult sort of space (see the Museum of Modern Art's lugubrious basement rooms), succeeds because Piano has given it a large, glassed-in stairwell that lets natural light in.

The museum's director, Markus Brüderlin, says Beyeler may tinker with the collection: He can change what's on view for other works of at least comparable quality, the judgments to be made by the foundation's board, which, conveniently for Beyeler, he heads.

The public benefit may eventually be to weed out some of the more generic art from the last 30 years, the only weak link in the collection. The early material could hardly be improved on: a room of Giacometti, another of Picasso's, each a capsule homage to an artist Beyeler knew.

Given so much great art, Piano has proved that the most eloquent space in which to put it is also the softest-spoken.

PEOPLE

THE Brussels police released a man and a woman who threw a cream pie in Bill Gates's face, saying Gates had declined to press charges. Meanwhile, the instigator of the prank, who was not caught, said he was thrilled at the sight of the Microsoft chairman standing on a Brussels sidewalk "as if bolted to the ground," wiping cream off his glasses and face. Noel Godin is known in Belgium as an *entertainer*, someone who throws pies in famous people's faces. "Our secret," Godin said on Belgian television, "is our number. There are about 30 of us and we operate in very small groups."

Former Prime Minister Charles Haughey has been voted one of Ireland's sexiest men at the age of 73. Haughey appeared beside the actors Liam Neeson, Aidan Quinn and Gabriel Byrne and the film director Neil Jordan in a poll carried in Dublin's Evening Herald. The line-up also included Larry Mullen, drummer with the pop group U2, and Ronan Keating, lead singer with Boyzone. The five female judges who compiled the list for a women's magazine called Social & Personal identified "brains and a healthy bank balance" as two essential criteria.

Queen Elizabeth is to lease a helicopter from a private company instead of using two RAF helicopters to save about £1.8 million (about \$2.9 million) annually. Buckingham Palace announced. The British company Air Hanson has been

awarded a 10-year helicopter contract with a U.S.-built Sikorsky S-76, which is faster and considered more reliable than the aging RAF Wessex helicopters that have been in continuous royal service since 1969. The Sikorsky was chosen on the advice of Prince Andrew, an experienced helicopter pilot who flew with the Royal Navy during the Falklands war. The palace was quick to say the deal was on cost grounds and not a snub to the Royal Air Force.

Matt Damon and Ben Affleck, the writers of "Good Will Hunting," are in the running for a Writers Guild of America

Charges in Mermaid Vandalism

Reuters

COPENHAGEN — A free-lance television cameraman was jailed by a *magistrate's* court on Thursday for 13 days pending a police investigation into charges that he decapitated Copenhagen's Little Mermaid statue.

Michael Fornmark Poulsen, who was the first to film the statue after it was vandalized a month ago, was formally charged at a closed-court session with causing malicious damage to public property. He pleaded not guilty.

He was arrested at the unveiling Wednesday of the restored Little Mermaid on her waterfront rock.

award for their screenplay. Damon and Affleck already have won the Golden Globe for their script. Other nominations in the same category — best screenplay written directly for the screen — are "Thelma," by James Cameron; "As Good As It Gets," screenplay by Mark Andrus and James L. Brooks, story by Andrus; "Boogie Nights," by Paul Thomas Anderson, and "The Full Monty" by Simon Beaufoy. In the category for best screenplay based on material previously published or produced, the contenders are: "The Ice Storm," James Schamus; "Donnie Brasco," Paul Attanasio; "L.A. Confidential," Brian Helgeland and Curtis Hanson; "Wag the Dog," Hilary Henkin and David Mamet; and "The Wings of the Dove," Hossein Amini. The prizes will be awarded on Feb. 21.

Paul Newman was so taken with the scenery of the Chesapeake Bay area, which he visited on his vacation, that it may be the background of a film. Newman, Kevin Costner and Robin Wright Penn will begin shooting their new movie, "Message in a Bottle," in April, perhaps on Tangier Island off the Eastern Shore of the bay in Maryland. "I play the bottle," Newman joked in The Virginian-Pilot in Norfolk. While Newman wouldn't confirm details about set location, he said he and his wife, the actress Joanne Woodward, were thrilled with the area when they visited last year. "It was one of the most beautiful areas of the country I've seen," Newman said. "We recommended the area to Kevin." Cape Cod in Massachusetts and the Outer Banks of North Carolina are also being considered.



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